



# Independent Review of Police Officer and Staff Remuneration and Conditions

## Final Report – Volume 2

March 2012

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# Independent Review of Police Officer and Staff Remuneration and Conditions

## Final Report – Volume 2

Presented to Parliament  
by the Secretary of State for the Home Department  
by Command of Her Majesty

March 2012

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# Contents

## Volume 1

Acknowledgements	9	
Foreword and principles	11	
Summary	15	
Glossary of abbreviations	27	
Chapter 1	Future challenges	43
	1.1 Future crime trends	44
	1.2 Political	48
	1.3 Economies	49
	1.4 Social	52
Chapter 2	Employment framework	57
Chapter 3	Entry routes for police officers	69
	3.0 Introduction	69
	3.1 Entry Standards	70
	3.2 Recruiting Leaders	102
Chapter 4	Promotion for officers	197
Chapter 5	Health and fitness	211
	5.1 Fitness testing	211
	5.2 Restricted and recuperative duty	242
	5.3 Police Officer Pensions	263
	5.4 Ill-health retirement	278
Chapter 6	Managing the officer workforce	291
	6.1 Workforce planning	292
	6.2 Chief Constables' severance	319

## Volume 2

Chapter 7	Basic pay X-factor and regional pay	325
	7.1 Basic pay for Federated officers	325
	7.2 Basic pay for superintendent, ACC and DCC ranks	377
	7.3 Basic pay for Chief Constables	399
	7.4 Basic pay for staff	411
	7.5 X-factor for officers and staff	423
	7.6 Regional pay	446
Chapter 8	Contribution-related pay	483
	8.1 Contribution-related pay	484
	8.2 Appraising performance	502

8.3	Federated officers	513
8.4	Superintending, ACC and DCC ranks	518
8.5	Chief Constable rank	521
8.6	Police staff	525
Chapter 9	Role and Skill-based Pay	531
9.1	Role and Skill-based Pay	531
9.2	Overtime	560
9.3	Unsocial hours	572
9.4	On-call Allowance	581
Chapter 10	Negotiating Machinery	585
10.1	Officer Pay	585
10.2	Staff Pay	607
10.3	Police Advisory Board Issues	613
Chapter 11	Conclusions	617
11.1	Overall	617
11.2	Total costs and savings	617
11.3	Effect on the individual	618
11.4	Next steps	630
Appendices:		
Appendix 1	List of recommendations	631
Appendix 2	Phased introduction	641
Appendix 3	The Determination of the Pay of Police Officers and Staff: Economic Analysis of the Issue for Part 2 of the Review	645
Appendix 4	Literature Review: Performance Related Pay (PRP) and the Police – Summary of Key Findings	705
Appendix 5	Description of police pensions arrangements	715
Appendix 6	Description of job evaluation	723
Appendix 7	Examples of examination questions for entry as a police officer in 1930, 1946 and 1959	727
Appendix 8	Methodology	733
Appendix 9	List of Submissions Received	739
Appendix 10	List of oral evidence sessions	741
Appendix 11	Bibliography	749
Appendix 12	List of figures and tables	765
Appendix 13	Policy Equality Statement	771
Appendix 14	Terms of reference	779

## 7 Basic pay, X-factor and regional pay

The basic structures of the present system of police officer pay were established in 1920. Pay scales are long and in most cases there is no appreciable link between pay and competence or the acquisition of new skills. A new approach is needed for both police officers and staff that replaces a culture of entitlement on the basis of time-service with one which recognises skills and professionalism. Such a step would be radical, but it is overdue, and will lead to a better service for the public and better value for taxpayers.

Professor Disney's research and analysis show that it would be possible to reduce constables' pay without risk to the quality of recruits or causing problems with recruitment and retention. Nevertheless, it is necessary also to take into consideration the likely effects on individuals of any further reductions in pay. Constables can be worth their current maximum rate of pay, £36,519 (excluding regional allowances), if appropriately skilled and using those skills in roles that require the warranted powers of a constable.

The principal recommendations in this Chapter are:

- a new, shorter pay scale for constables that is properly linked to the time over which increased experience results in increased competence. Contribution-related pay progression and skills threshold tests will ensure that only those who make a full contribution to the police service, and are able to demonstrate the necessary skills and knowledge, earn the maximum salary;
- new, shorter pay scales for the superintendent and Assistant Chief Constable ranks, more accurately to reflect the time over which increased experience results in increased competence in these ranks;
- a larger pay gap between constable and sergeant, and between chief superintendent and Assistant Chief Constable, to mark the significant change in responsibility in those promotions;
- the deployment X-factor for police officers should be set at the lower of eight *per cent* of a constable's pay and £2,922, and should not be paid to those who are unable to discharge the full range of duties and responsibilities of a police officer; and
- continuation of the present regional and local pay arrangements for police officers and staff respectively, but with a recommendation that the new pay review body recommended in Chapter 10 re-examines the case for increasing local flexibilities in the future.

### 7.1 Basic pay for Federated officers

#### Background

##### *History*

- 7.1.1 The Metropolitan Police was established in London in 1829. The pay of police officers was for many years set at a rate comparable to that of an unskilled agricultural labourer. It was "fixed at a level to deter ex-[military] officers, and at the same time to keep costs down"<sup>1</sup>. It was a deliberate policy to recruit men "who had not the rank, habits or station of a gentleman"<sup>2</sup>.
- 7.1.2 London having been the first to establish a police force in England and Wales<sup>3</sup>, police forces outside the Metropolitan area followed, and were established over the course of the mid-nineteenth century. The Municipal Corporations Act 1835 compelled cities and boroughs to

1 Critchley, page 52

2 *Mr Secretary Peel*, Gash. 1961, page 502

3 The River Thames Marine Police Force was established in 1798, and is the oldest police force in continuous service. The City of Glasgow Police was established under the Glasgow Police Act 1800

establish police forces in their areas. The Municipal Corporations Act 1835 did not determine police pay, leaving boroughs free to set rates at whatever levels they saw fit. In practice, borough forces generally set pay at the rates used in the county forces<sup>4</sup>.

- 7.1.3 Section 3 of the County Police Act 1839 gave the Secretary of State the power to set pay rates for all county forces. The Home Secretary of the time, the Marquess of Normanby, made rules establishing parameters for constables' pay in all county forces. In 1839, constables in county forces were to be paid "not less than 15s. or more than 1*l.* 1s. a week"<sup>5</sup>.
- 7.1.4 The pay rates for county forces were periodically revised. The County Constabulary (England) Rules 1886 provided seven different pay scales for constables, six for sergeants and three for inspectors. County forces were able to select "one or other of them, according to local circumstances"<sup>6</sup>. There was a six-point constable pay scale. Recruits started as 3<sup>rd</sup> class constables and were promoted to the 2<sup>nd</sup> and 1<sup>st</sup> classes on merit. They could reach the top of the pay scale after eight years' service as a 1<sup>st</sup> class constable. Sergeants were on a four-point pay scale, reaching the maximum after eight years in the rank. Inspectors were on the three-point pay scale and were able to reach the maximum only after ten years' service<sup>7</sup>. The Home Office, in its evidence to the Desborough Committee in 1919, explained that it had been "a generally recognised principle that a county constable should be paid at a somewhat higher rate than the agricultural labourer in his county"<sup>8</sup>. In return for this pay, constables worked ten-to-twelve-hour days, seven days a week, with just one week's holiday a year<sup>9</sup>.
- 7.1.5 Constable and sergeant pay rates were butt-ended<sup>10</sup>, with sergeants on appointment being paid more than constables at their maximum. There was a large gap between the top of the sergeants' scale and the bottom of the inspectors', with inspectors earning about three times as much as sergeants.

#### *The Desborough Committee 1920*

- 7.1.6 The First World War led to a substantial increase in the cost of living in England and Wales - as much as 100%. Police pay had not kept up with the increase, leading to a significant drop in the standard of living of police officers<sup>11</sup>. Indeed, county constabulary pay rates had not been increased since 1886. County forces, with Home Office approval, paid salaries in excess of the official rates, increasing the disparities in pay between forces<sup>12</sup>. City and borough forces were free to pay at whatever rates they saw fit.
- 7.1.7 In 1917, police authorities began to work together to increase pay in certain regions and cities<sup>13</sup>. By 1918, police authorities were concerned that the lack of central direction was leading to inter-authority pay competition. They asked the Home Office to take responsibility for police pay and to introduce a new Exchequer Grant to cover half the cost of the police service (the other half being funded through local taxation)<sup>14</sup>. The Home Office supported this suggestion but could not secure Treasury approval<sup>15</sup>.
- 7.1.8 The August 1918 police strike led to a change in the arrangements for police funding. The Treasury accepted the case for an increase in police pay, and raised its share of funding to 50% of the total cost of all police forces, as had been requested by police authorities and the Home Office. Two new pay scales were introduced, covering all forces – city, borough, county, and

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4 Critchley, page 150

5 *Rules Made by the Marquess of Normanby For Establishing an Uniform System for the Government, Pay, Clothing, Accoutrements, and Necessaries for Constables*, London, 1839, page 2

6 *County Constabulary (England) Rules*, London, 1886, page 2

7 *ibid.* page 2

8 Desborough report, paragraph 24

9 Critchley, page 151

10 See 'Glossary and abbreviations' for an explanation of this term

11 Desborough report, paragraph 36

12 *ibid.* paragraph 24

13 *ibid.* paragraph 26

14 Dixon report, page 67

15 *ibid.* page 68

the London forces. The Metropolitan scale was set at 43s. a week rising to 53s. a week for constables. The sergeants' scale started at 56s. a week, reaching a maximum of 60s. a week. The standard scale for all other forces was set at 3s. a week lower than the Metropolitan scale<sup>16</sup>. Almost all forces adopted one of these two scales<sup>17</sup>.

7.1.9 These new scales were not enough to compensate for the increase in the cost of living, and in 1919 some police officers went on strike to secure further pay increases and union recognition. One aspect of the Government's response to the 1919 police strike was the appointment of the Desborough Committee in March 1919 to review police pay and conditions.

7.1.10 The Desborough Committee's report, and the Police Act 1919 that enacted its recommendations, fundamentally changed police pay and set it on a footing that is still recognisable today. Desborough considered policing to be unique:

*“We are satisfied that a policeman has responsibilities and obligations which are peculiar to his calling and distinguish him from other public servants and municipal employees, and we consider the Police entitled thereby to special consideration in regard to their rate of pay and pension”<sup>18</sup>.*

7.1.11 Desborough argued that the nature of police work and the responsibilities of the police officer made redundant the labour market comparison with agricultural workers or unskilled labourers which had informed police pay decisions in the 19<sup>th</sup> century<sup>19</sup>.

7.1.12 Desborough made two central recommendations on police pay:

- a single pay scale should be fixed for all forces, whilst pensions, housing and other conditions should be assimilated across the country<sup>20</sup>; and
- pay for constables should be substantially increased.

7.1.13 Desborough recommended a pay scale for constables with 13 increments covering 22 years of service. The starting pay was to be 70s. a week, rising to 90s. a week after 10 years' service. The first increment was awarded on completion of probation, whilst subsequent increments up to the tenth were automatic on completion of each year's service. This remains substantially the position today.

7.1.14 Additional long service increments were available at 17 and 22 years' service, subject to the constable's "good conduct and efficient service"<sup>21</sup>. Each was worth 2s. 6d., taking constables' pay to a maximum of 95s. a week after 22 years' service.

7.1.15 The sergeants' pay scale started at 100s. a week, rising to 112s. 6d. a week over five annual increments<sup>22</sup>.

7.1.16 Desborough noted that the "duties performed by officers in the same nominal rank are not standardised as between one force and another" and did not therefore recommend a single standard scale for inspectors and chief inspectors in all forces<sup>23</sup>. Instead, Desborough set broad parameters for pay scales for inspectors and chief inspectors, whilst recommending that:

*“the pay of the higher ranks should be brought more into accord with the service rendered ... [and] that the scales of pay for all ranks should be subject to the approval of the Home Office”<sup>24</sup>.*

7.1.17 Desborough recommended that the scale for inspectors should start at "not less than £310 and not more than £325 *per annum* and should rise by increments ... for four or five years", and that

16 *ibid.* page 68

17 Desborough report, paragraph 27

18 *ibid.* paragraph 28

19 *ibid.* paragraph 34

20 *ibid.* paragraph 23

21 *ibid.* paragraph 39

22 *ibid.* paragraph 43

23 *ibid.* paragraph 47

24 *ibid.* paragraph 48

the scale for chief inspectors “should be £15 or £20 above the maximum of the Inspector”<sup>25</sup>. These scales represented very significant increases on what had gone before.

- 7.1.18 The Police Act 1919 gave effect to Desborough’s central recommendations, giving the Home Secretary the power, for the first time, to regulate police pay and conditions of service for all forces<sup>26</sup>.

#### *The Committee on National Expenditure 1922*

- 7.1.19 Another consequence of the First World War was a very large increase in Government expenditure which had led to high levels of debt<sup>27</sup>. The Government established a Committee on National Expenditure, chaired by Sir Eric Geddes, to find ways of reducing Government spending. The Committee, in the introduction to its second interim report, explained its task: “[w]e are invited to recommend reductions in expenditure because they are absolutely necessary to keep our outgoings at a level with our income”<sup>28</sup>. The report ranged across the whole of Government spending, including the police service.
- 7.1.20 The Committee stated that there were only two ways of effecting economies in the police – by reducing police numbers or by reducing cost *per head*<sup>29</sup>. It recommended a series of economies, including a full investigation into the strength of all police forces, with the implication that numbers should be reduced. The Committee also recommended that “the obligation to pay the Metropolitan Police scale of remuneration in county and borough police forces should be cancelled”<sup>30</sup>. The single national rate of pay had been introduced just three years before following the recommendations of the Desborough Committee.
- 7.1.21 The Home Secretary was not prepared to accept different pay scales for the Metropolitan Police on the one hand and county and borough forces on the other, as he considered it a threat to police morale<sup>31</sup>. In 1922, the Home Office, in consultation with local government, police authorities, and the Police Federation, adopted an alternative plan that would save the same amount as the Committee on National Expenditure’s proposals. It consisted of a reduction in police numbers averaging 10%, a deduction of 2.5% from pay and a deduction from rent allowances<sup>32</sup>. These deductions were to be temporary, subject to renewal if fiscal circumstances demanded it.

#### *The Desborough report of 1924*

- 7.1.22 The continued fall in the cost of living since Desborough first reported in 1919, and the continued debate about police pay following the Committee on National Expenditure’s recommendations, prompted the Government to ask Desborough to report again, with terms of reference that focused on cost-saving measures – a scale of pay for new entrants, and changes to pension entitlements<sup>33</sup>. Desborough recognised that:

*“the general economic conditions are extremely unsettled at the present time, and that the question of the rise or fall of industrial wages is most uncertain ... it must be unsettling to any Service to have repeated revisions of their rates of pay”.*

- 7.1.23 The Committee therefore decided that “it is not an opportune moment for disturbing an arrangement come to so recently”<sup>34</sup>. It recommended no changes to the pay scales that had been established in 1919.

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25 *ibid.* paragraph 49

26 Section 4.1 of the Police Act 1919

27 National debt rose by a factor of eleven between 1914 and 1919. *The Pity of War*, N. Ferguson, London, 1999, page 324

28 *Second Interim Report of Committee on National Expenditure*, London, 1922, page 4

29 *ibid.* page 57

30 *ibid.* pages 67-68

31 Dixon report, page 74

32 Dixon report, pages 74-75

33 *Desborough Committee on the Police Service Report*, Cmnd. 2086, London, 1924, page 2

34 *ibid.* page 3

*The Lee Committee 1925*

- 7.1.24 A growing divide in opinion between police authorities and the Police Federation over the continuation of the pay and rent allowance deductions introduced in 1922 led to another review of police pay in 1925. The Lee Committee had a commission to “consider the question of a continuance of the deductions from Police pay and allowances”<sup>35</sup>.
- 7.1.25 The Lee Committee recommended that the pay and rent allowance deductions should be discontinued and converted into an increased pension contribution, rising from 2.5% to 5%<sup>36</sup>. Although this recommendation did nothing to increase police pay, it was accepted by all parties and implemented.

*The May Committee on National Expenditure 1931*

- 7.1.26 The Great Depression of 1929 led, in the United Kingdom, to high unemployment, falling prices and rising national expenditure. As in 1922, when the Geddes Committee had been appointed, the financial situation was such that a committee was appointed with the task of reducing national expenditure. In March 1931, the Committee on National Expenditure was appointed under the chairmanship of Sir George May. The Committee reported in July 1931<sup>37</sup>. Once again, the police service was not exempt from the need to reduce Government expenditure.
- 7.1.27 May noted that Desborough’s increase in pay had been based on the fact that the cost of living had risen by 105% since the outbreak of the First World War. Since 1919, the cost of living had fallen “to 45 *per cent* above pre-war. Wages in outside industry have also fallen”<sup>38</sup>. Therefore, May recommended that “a reduction of 12½ *per cent* should be made from the pensionable salaries of all Constables and Sergeants ... the pay of higher ranks ... [should be subject to] comparable reductions”<sup>39</sup>. May recommended that the pay cut should be made in two instalments, the first as soon as possible and the second a year later.
- 7.1.28 The Home Secretary did not accept May’s recommendations, and as with the Geddes Committee’s recommendations in 1922, made alternative arrangements that would save the same amount of money, whilst keeping the Desborough pay scales largely intact<sup>40</sup>. Under the Home Secretary’s plan, the savings in the first year were instead achieved through a combination of administrative savings and deductions of approximately 5% to the pay of all serving officers, together with a new lower rate of pay for new entrants in their first three years of service. Both measures were introduced in 1931<sup>41</sup>.
- 7.1.29 The savings for the second year were found through a second, additional set of pay deductions, again at a level of approximately five *per cent* of pay for all serving officers<sup>42</sup>. Thus, police pay was reduced by about ten *per cent* over two years.

*The Higgins Committee on pay for new entrants 1933*

- 7.1.30 In 1931, when the lower rates of pay for new entrants were first proposed in response to the May recommendations, the Home Secretary said that a committee would be appointed to investigate the matter in detail. In September 1932, the committee was appointed, under the chairmanship of Sir George Higgins, to consider “the scales of pay for sergeants and constables who join, or have, since 30<sup>th</sup> September, 1931, joined the Police Forces”<sup>43</sup>.

35 *Report of the Committee appointed to consider the Temporary Deductions from Police Pay and Allowances and the Rateable Deductions for Pension*, Cmnd. 2444, London, 1925, page 2

36 *ibid.* page 6

37 *Committee on National Expenditure Report*, Cmnd. 3920, London, 1931

38 *ibid.* page 44

39 *ibid.* page 45

40 Dixon report, pages 79-82

41 *ibid.* page 81

42 *ibid.* page 84

43 *Police Pay (New Entrants) Committee Report*, Cmnd. 4274, London, 1933

- 7.1.31 The Higgins Committee considered its work not just to be a review of police pay in the light of the prevailing financial and economic conditions, but to be a consideration of “what modifications should be made in the framework of the Desborough scales in the light of the experience, developments and changes of the thirteen years which have elapsed since they were introduced”<sup>44</sup>.
- 7.1.32 Higgins echoed Desborough’s views about the unique requirements of policing that justify police officers’ relatively high pay, and argued that “the work and responsibilities of the police have further increased since 1919”<sup>45</sup>. Higgins also supported Desborough’s intention to increase the standing of police work as a profession, and stated that “the attraction of recruits of a higher standard of education, intelligence and social standing is not less desirable at the present time than it was in 1919. Whilst expressing doubts about the wisdom of a single national pay scale, Higgins agreed “with some reluctance” to maintain the national rate that Desborough had introduced and which the Home Office had worked to maintain<sup>46</sup>.
- 7.1.33 Higgins argued that because “it is not until the fifth year that [a new entrant] can be said to be a fully equipped constable”, Desborough had set the pay scale too high “over the first three or four years”<sup>47</sup>. Further, Desborough’s pay scale was too short: “[i]t appears to be desirable that the time taken to reach the maximum of the scale should be increased so as to approximate more nearly to half the 25 years which the constable has to serve to qualify by service for a pension”<sup>48</sup>.
- 7.1.34 Higgins also argued that public sector pay had to reflect changes in the private sector, where there was downward pressure on wages:
- “It is manifestly a matter of simple justice, besides being of great national importance, that the burden placed upon the production of the country’s wealth should be lightened so that the community may regain its economic strength rather than that any section of the public service, however indispensable, should enjoy a status relatively higher than that granted to it after sympathetic inquiry in the atmosphere of optimism which prevailed during the years immediately following the War”<sup>49</sup>.*
- 7.1.35 There were two factors that were central to Higgins’ analysis of police pay. First, the cost of living had fallen by approximately 30% since 1919, which meant that the police were overpaid when compared with workers elsewhere in the economy. Secondly, he said that “the existence of two fundamentally different scales of pay for the same rank extending over the whole period of service is an unsuitable arrangement for the police”<sup>50</sup>. Therefore, he said that the pay scales for new entrants should be closely aligned with those for the existing officers alongside whom the new recruits would be serving.
- 7.1.36 Higgins recommended that the pay scale for new entrants should start at 62s. a week (that is, 10s. a week lower than the Desborough scale, but 5s. a week higher than the new entrants’ scale introduced in 1931 in response to May’s recommendations). The new entrants’ pay scale had the same maximum as the Desborough scale – 90s. a week, with the likelihood of two further long service increments subject to good conduct, zeal, and efficiency. However, the maximum was to be reached after 12 years’ service, rather than the 10 years of the Desborough scale. New entrants were to be subject to the same ten *per cent* salary deductions as were existing officers<sup>51</sup>. Sergeant’s pay was to be unchanged<sup>52</sup>.

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44 *ibid.* page 6

45 *ibid.* page 8

46 *ibid.* page 9

47 *ibid.* pages 11-12

48 *ibid.* page 12

49 *ibid.* page 13

50 *ibid.* page 13

51 *ibid.* page 15

52 *ibid.* page 13

- 7.1.37 Higgins' recommendations were accepted, and the pay scale for new entrants was introduced in April 1933. The new pay scale was known as the "Scale B" and remained in operation alongside the Desborough scales until they were both superseded by a new pay scale in 1945<sup>53</sup>.
- 7.1.38 Pay deductions were reduced by half in 1935, and abolished in 1936<sup>54</sup>. This had the effect of a ten *per cent* pay rise for officers of all ranks. Throughout the interwar years, police pay remained high in relation to average incomes and the cost of living<sup>55</sup>. During most of this period, the maximum of the constable's pay scale was of the order of 55% higher than the earnings of the average adult male worker in industry<sup>56</sup>.

#### *The Oaksey Committee 1949*

- 7.1.39 There was a significant rise in the cost of living during and after the Second World War. Police pay had not kept up, meaning that police officers earned less in real terms after the war than they had done before it. This led to a crisis of recruitment and retention. An increase in police pay in 1946 was soon overtaken by inflation and made little lasting difference to recruitment and retention rates<sup>57</sup>.
- 7.1.40 The Government appointed the Oaksey Committee in May 1948 with a remit to review police pay and conditions 'in the light for the need for the recruitment and retention of an adequate number of suitable men and women' for the police service<sup>58</sup>. The committee published its first report in April 1949. It found that, on average, forces were understaffed by 17%, with particular problems in London and other large cities<sup>59</sup>. It recommended pay increases to improve the recruitment and retention of police officers.
- 7.1.41 Oaksey's consideration of police pay was "not based merely on how much, or how little, it would be necessary to increase pay in order to restore police establishments"<sup>60</sup>. The committee also considered the nature of policing, and found itself in agreement with Desborough's assessment of the responsibilities and obligations that are peculiar to the police. Indeed, the committee members were "convinced that police responsibilities are more exacting now than they were when the Desborough Committee reported in 1919"<sup>61</sup>.
- 7.1.42 The Oaksey Committee also took account of factors that tended against rises in police pay. It argued that the value of concealed emoluments, such as free accommodation and free clothing and footwear for use on duty, was not fully appreciated. It also noted that many forces had succeeded in recruiting back up to a full complement of officers and these forces were paying at the same rate as all other forces. Further, the committee pointed out that many other occupations had experienced recruitment and retention problems in the years following the end of the Second World War, and there was no reason why the police should be any different<sup>62</sup>.
- 7.1.43 Oaksey also referred to the recent White Paper on *Personal Incomes, Costs and Prices* that had set out the Government's attempts to prevent rapid increases in wages. The White Paper had established the principle that "each claim for an increase in wages or salaries must be considered on its national merits"<sup>63</sup>.
- 7.1.44 Oaksey set out a list of factors that the Government should bear in mind when making the final decision on police pay. They were:
- the need for a strong and efficient police service;
  - the fact that the police service is undermanned, particularly in London and large cities;

53 Dixon report, page 86

54 *ibid.* page 86

55 Critchley, page 249

56 Royal Commission report, paragraph 21

57 Critchley, page 250

58 Oaksey report, page *ii*

59 *ibid.* page 7

60 *ibid.* page 7

61 *ibid.* page 8

62 *ibid.* pages 6-9

63 *White Paper on Personal Incomes, Costs, and Prices*, Cmnd. 7321, London, January 1948, paragraph 8

- the change in the nature of police duties and the environment in which they are performed;
  - other occupations having received pay rises since the White Paper was published;
  - the likelihood that increased pay would help recruitment and retention; and
  - the need for all ranks to be treated the same.
- 7.1.45 Oaksey recommended increases in pay for constables, sergeants and inspectors. The pay of a constable at the maximum was increased by about 15%<sup>64</sup>. The salary scales for each rank were butt-ended. The constables' pay scale was shortened from eleven increments down to eight. Three long service increments were introduced in order to tackle retention problems. They were awarded after service of 10, 15, and 22 years.
- 7.1.46 Basic pay for inspectors and chief inspectors was set at a higher level in the Metropolitan Police than for all other forces, in recognition of the fact that those jobs carried greater responsibilities in the Metropolitan force than elsewhere<sup>65</sup>.
- 7.1.47 Oaksey's recommendations on pay for the Federated ranks were accepted by the Government and came into effect in July 1949. They had little lasting impact, however, as pay demands increased throughout the 1950s. In 1951, a report on police pay by Sir Malcolm Trustram Eve KC recommended an increase in basic pay by a further 20%. This was accepted by the Government and implemented in August 1951<sup>66</sup> and in 1954 police pay was increased by a further 9%<sup>67</sup>.

### *The Royal Commission 1960*

- 7.1.48 In 1960, a Royal Commission on the police was established, and part of its remit was to consider again the structure and levels of police pay and conditions of service, in the light of the persistence of problems in police recruitment and retention. Between 1949 and 1959, average earnings in the economy had risen in real value by 35%. In the same period, crime reported to the police had increased by 45%, and crimes of violence had increased two and a half times<sup>68</sup>.
- 7.1.49 In making its recommendations on police pay, the Royal Commission considered the duties and responsibilities of constables, the need to attract and retain an adequate number of recruits with the proper qualifications, and the value of subsidiary emoluments such as pensions and housing allowances.
- 7.1.50 The Royal Commission explored three approaches to police pay:
- fair comparability between policing and other occupations;
  - supply and demand – the pay levels required to recruit sufficient police officers to tackle crime; and
  - the rate for the job<sup>69</sup>.
- 7.1.51 These three approaches were measured against three propositions considered important by the members of the Commission:
- the police service “has a flavour all its own and comparisons with other services can be misleading”;
  - morale is of paramount importance, both to secure good performance and succeed in recruiting and retaining men; and

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64 Royal Commission report, paragraph 26

65 Oaksey report, page 17

66 Edmund-Davies report (2), page 79

67 Critchley, page 251

68 Royal Commission report, paragraph 9

69 *ibid.* paragraph 162

- morale cannot be built up and maintained unless the pay is right; morale will suffer if “the level of pay falls substantially below what either members of the service or the general public regard as fair, and as providing a reasonable standard of living”<sup>70</sup>.
- 7.1.52 The fair comparison approach was rejected on the basis that “there are no substantial categories of employment within the service which have exact counterparts outside”<sup>71</sup>.
- 7.1.53 The principle of supply and demand was also dismissed as a means for establishing police pay. The Royal Commission decided that the police service requires “a more stable basis of remuneration than would be determined by the law of the market” in order to maintain morale<sup>72</sup>. Further, the proposition that morale can only be maintained if pay is fair “implies considerations of equity of which the strict economic law takes no account”<sup>73</sup>. The principle of supply and demand could also lead to a regional pay structure whereby pay was higher in areas with more competitive labour markets. The Royal Commission rejected this idea because “the policeman’s job is broadly the same everywhere, and a uniform national rate of pay has come to have great significance to all concerned with the police”<sup>74</sup>.
- 7.1.54 Whilst recognising that the principle of the rate for the job “is necessarily less precise than either of the others, since it relies for its operation very largely on a judgment of the constable’s value to the community”, the Royal Commission found it to be the best way of determining police pay. It cautioned, however, that “such a principle is very much easier to state than to apply”<sup>75</sup>.
- 7.1.55 The Police Federation’s suggestions that police pay should be returned to its pre-war relationship with average industrial earnings, and that police pay should bear a definite relation to current earnings, were rejected by the Royal Commission<sup>76</sup>. Rather, the Royal Commission argued, police pay should be insulated from fluctuations in the labour market<sup>77</sup>.
- 7.1.56 The Royal Commission found that the police service had lost its attractiveness as its advantages over other occupations – security of tenure, free medical and dental attention, a good pension and relatively high rates of pay – had diminished as benefits of that kind became more widespread in other occupations. The Royal Commission aimed to improve constables’ remuneration by paying “at a rate which fully recognizes the exacting nature of the police way of life and, in addition, fairly compensates [the police officer] for his inability to increase his earnings in the way we have discussed”<sup>78</sup>.
- 7.1.57 This fair rate for the job was determined using the following formula:
- Factor A: the minimum wages paid to skilled workers in 18 occupations – skilled trades for which an apprenticeship is required.
  - Factor B: 45% of the value of factor A to compensate the constable for:
    - his inability to increase his pay in ways that were customary in other occupations;
    - his liability to work in shifts, at night, at week-ends, and on bank holidays without extra payment;
    - the fact that he is not permitted to undertake remunerative employment outside the police service; and
    - unforeseeable and occasional overtime.
  - Factor C: 25% of the sum of A and B to take account of the constable’s duties and responsibilities and the drawbacks of police life:

<sup>70</sup> Royal Commission report, paragraph 162

<sup>71</sup> *ibid.* paragraph 165

<sup>72</sup> *ibid.* paragraph 166

<sup>73</sup> *ibid.* paragraph 166

<sup>74</sup> *ibid.* paragraph 167

<sup>75</sup> *ibid.* paragraph 170

<sup>76</sup> *ibid.* paragraphs 171 – 172

<sup>77</sup> *ibid.* paragraph 172

<sup>78</sup> *ibid.* paragraph 178

- exposure to danger;
  - subjection to discipline and a degree of social separation;
  - the constable’s duties and responsibilities;
  - his way of life, his knowledge and professional skill; and
  - his physical and personal attributes.
- Factor D: a deduction to cover the provision of housing<sup>79</sup>.
- 7.1.58 The net result was a new pay rate for constables that raised pay by up to 40%. The recommended pay scale consisted of nine pay points. The Royal Commission considered this to be a relatively short scale, which they favoured because “the full rate should be paid to the man who is carrying out the full range of the constable’s duties”<sup>80</sup>.
- 7.1.59 The Royal Commission recommended two additional increments for long service, on the Desborough model, at 17 and 22 years, making a total of eleven pay points. The long service increments were re-instated, having been removed in 1957<sup>81</sup>. They were restored “as an inducement to the constable to remain in the service, and as a feature of an improved career structure for the man who is not promoted”<sup>82</sup>.
- 7.1.60 The Royal Commission’s recommendations were accepted by the Government and implemented.

#### *The Edmund-Davies Committee 1978*

- 7.1.61 By 1977, police pay had become uncompetitive, as the high levels of price inflation in the 1970s had reduced its value in real terms. Pay increases had not kept pace with the rising cost of living. There had been net losses of police officers in Scotland in 1976 and in England and Wales in 1977 for the first time since 1960<sup>83</sup>.
- 7.1.62 The Government first established the Committee of Inquiry on the Police, chaired by Lord Edmund-Davies, in August 1977 to review the police negotiating machinery. Its remit was expanded to include police pay in December 1977, following difficulties achieving a police pay settlement earlier in the year. Edmund-Davies was asked “to consider the basis for determining police pay and the appropriate levels of remuneration”<sup>84</sup>.
- 7.1.63 Edmund-Davies considered a range of factors in assessing the appropriate level of remuneration for police officers. First, his Committee took account of the changes in the nature of the job since the Royal Commission of 1960. Edmund-Davies found that policing had “become more onerous and much wider in scope” and that “the risk of assault and injury to the police has greatly increased since 1960, to such an extent that the burdens and risks of the job have markedly increased”<sup>85</sup>.
- 7.1.64 Secondly, Edmund-Davies addressed the issue of the comparability of police officer pay with that of other occupations. The committee concluded that it was impossible to compare the police with any other group of workers for pay purposes because “the unique nature of the police service and the work they do makes this impossible”<sup>86</sup>. The Committee found that the police service had not lost ground to other workers since 1960 in terms of pay alone. Taking total earnings into account (that is, salary and all allowances and benefits), the Committee concluded that it was not clear that the police service had fared any worse than other occupations<sup>87</sup>.

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79 *ibid.* paragraph 178

80 *ibid.* paragraph 183

81 *ibid.* paragraph 117

82 *ibid.* paragraph 184

83 Edmund-Davies report (2), paragraph 35

84 *ibid.* page v

85 *ibid.* paragraphs 26 and 31

86 *ibid.* paragraph 102

87 *ibid.* paragraphs 103-104

- 7.1.65 The Committee found that there was no precise formula for setting police pay based on comparisons with other workers: “[t]he only satisfactory way to proceed seems to us to be to review all the relevant factors and then make the best judgment we can”<sup>88</sup>. The Committee assessed those relevant factors to be:
- the changes to police work load and responsibilities and the role they are asked to fulfil;
  - the greater risk of injury faced by police officers;
  - the manpower problem; and
  - the lack of a right to strike<sup>89</sup>.
- 7.1.66 Edmund-Davies recommended a “major revaluation of the services undertaken by the police and a corresponding improvement in their pay in relation to that of other workers”. In addition to the increase in pay, the Committee recommended that pay be restructured “to offer the new entrant a firmer prospect of a steady improvement and make him more disposed to regard service in the police as a long-term career”<sup>90</sup>. The recommended pay scale was 11 points long, and it would take 15 years of service to reach the maximum. It constituted an increase in constables’ pay of between 30-45%. Further, the Committee recommended that supplementary pay, which had been introduced in 1974 in recognition of the unsocial hours regularly worked by police officers, should be consolidated into basic pay. That factor was nine *per cent* of the pay of the Federated ranks.
- 7.1.67 Edmund-Davies found “that a large number of efficient, experienced constables never qualify for promotion, for reasons voluntary or involuntary, although their expertise and knowledge enable them to render invaluable service” and was concerned at the “serious and continuing loss of trained, experienced constables” through premature wastage<sup>91</sup>. The largest salary increases were therefore targeted at those constables at the upper end of the pay scale in order to retain experienced police officers. A long service increment, available after 15 years’ service, was recommended. This increment was set at the same level as the second pay point on the sergeants’ pay scale. This meant that a constable in receipt of the long service increment could earn more than a sergeant in his first year. This was the only example of an overlapping pay scale in all of Edmund-Davies’ recommendations. All other pay scales were butt-ended.
- 7.1.68 Edmund-Davies recommended that the sergeants’ pay scale be shortened so that the maximum could be reached after four years rather than six, and that pay be increased by 37% at the maximum. Inspectors’ and chief inspectors’ pay scales were to be shortened to enable the maximum to be reached after four years’ service rather than five. Basic pay was to be increased by 34% for inspectors, and 31% for chief inspectors at the maximum.
- 7.1.69 That the Edmund-Davies report had a lasting impact was not, in the main, due to the very significant increases in basic pay that were recommended. It was the recommendation to create a new index, linking police pay to average earnings, that ensured Edmund-Davies’ long-standing effect. The Committee had found that since the police “cannot properly be compared to any other single group of workers ... we ... favour comparison with the earnings of the whole community”<sup>92</sup>. This was to be achieved through linking police pay to the monthly index of average earnings of the New Earnings Survey index.
- 7.1.70 The Government of the day implemented 50% of Edmund-Davies’ recommended pay rise. The Opposition made a manifesto commitment to implement the rise in full, which it did following its election in 1979.

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88 *ibid.* paragraph 102

89 *ibid.* paragraph 105

90 *ibid.* paragraph 106

91 *ibid.* paragraph 113

92 *ibid.* paragraph 260

*The Sheehy report 1993*

- 7.1.71 In 1992, the then Home Secretary, the Rt Hon Mr Kenneth Clarke QC MP, established an inquiry into police pay, conditions of service, and the rank structure. The terms of reference directed the Committee to recommend “what changes, if any, would be sensible to ensure ... remuneration set and maintained at a level adequate to ensure the recruitment, retention, and motivation of officers of the right quality”<sup>93</sup>. The inquiry was chaired by the industrialist Sir Patrick Sheehy and presented its report in June 1993.
- 7.1.72 Sheehy reviewed the conclusions of the Edmund-Davies report and the principles that Edmund-Davies had used to determine police pay. These factors were:
- comparisons with other groups of workers;
  - the absence of the right to strike;
  - the risk of injury and assault;
  - disruption to personal life;
  - the manpower and recruitment problem; and
  - the increased responsibilities and workloads falling to the police.
- 7.1.73 Sheehy found that “there has been a tendency on occasion – some feel an exaggerated tendency – to claim special status for police officers when this is not justified”<sup>94</sup>. Unlike Edmund-Davies, Sheehy considered that pay comparisons with other occupations were legitimate, believing that “it is possible to establish broad market comparisons in respect of basic pay”<sup>95</sup>. Comparisons with other professions established that base salary in the constable and sergeant ranks were above the private sector average (149% above the median in the case of non-graduate entrants), with those of the inspecting ranks slightly below the private sector average<sup>96</sup>.
- 7.1.74 Sheehy confirmed the importance of the absence of the right to strike, and considered it “important for this to be recognised in pay arrangements”, through a formula for the uprating of pay in the future<sup>97</sup>.
- 7.1.75 Sheehy differed from previous pay reviews in deciding that injury, assault, and disruption to personal life should not be used to calculate basic pay. Since the risk of harm and levels of disruption differed from role to role, Sheehy recommended that pay should reflect the degree of risk and disruption actually present in each role<sup>98</sup>.
- 7.1.76 Sheehy found that, in 1993, there was no recruitment and retention problem to address. He rejected the Edmund-Davies’s index, arguing that police pay should be related to private sector pay settlements only, because they “provide a more accurate reflection of the economic climate and the market than pay settlements in the public sector”<sup>99</sup>.
- 7.1.77 Unlike Edmund-Davies, Sheehy did not consider “overall pay uprating” to be the right context for dealing with increases in workload<sup>100</sup>. Sheehy said that an increasing workload should be managed through changes to job weights, responsibilities and establishment numbers instead.
- 7.1.78 Sheehy’s recommendations were radical and controversial. Those relating to basic pay took an entirely new approach to determining police pay. Sheehy recommended the introduction of a pay matrix job evaluation system under which all jobs would be evaluated using four factors. Each job would be given a score against the four factors, and that score would then

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93 Sheehy report, page 1

94 *ibid.* paragraph 1.8

95 *ibid.* paragraph 2.20

96 *ibid.* Annex XX

97 *ibid.* paragraph 2.21

98 *ibid.* paragraph 2.22

99 *ibid.* paragraph 2.26

100 *ibid.* paragraph 2.27

be translated into a particular point on the pay scale for the rank<sup>101</sup>. In effect, this would have meant that each job had a spot rate of pay.

- 7.1.79 The four factors in the Sheehy pay matrix were:
- scope of the role: responsibilities, scale and specialist requirements;
  - policing circumstances: impact of the policing environment and related requirements;
  - experience and skills: proven track record and skills possessed by the individual and required by the job; and
  - performance<sup>102</sup>.
- 7.1.80 Under Sheehy's proposals, there were to be no pay increments for time served in role. Pay progression could only be achieved by getting promoted, through improved performance or by moving to a new job with a higher score on the pay matrix<sup>103</sup>.
- 7.1.81 The pay scale for each rank was to be benchmarked against the median of private sector pay in comparable occupations and roles. Sheehy recommended that the lowest entry point on the constable pay scale should be dropped to the median private sector salary for the age group from which most new constables were recruited<sup>104</sup>. Pay rates on recruitment were to be set at a level to (a) allow for a more targeted set of criteria than age to be recognised in starting salary; and (b) to allow scope for the service to recruit high calibre graduates and other highly skilled and mature entrants. New recruits were to be placed on the entry pay scale on the basis of their qualifications, relevant experience and the state of the local employment market<sup>105</sup>.
- 7.1.82 The top of the constable entry scale was to be set at a rate to match the private sector median for graduates<sup>106</sup>. The constables' pay scale was to be designed to provide a range of 75% to 125% of the mid-point<sup>107</sup>.
- 7.1.83 These recommendations would have had the effect of:
- lowering the probationer starting salary from £12,555 to £10,630;
  - keeping the constables' mid-point broadly the same; and
  - keeping the constables' maximum the same at £20,952<sup>108</sup>.
- 7.1.84 Sheehy's private sector comparisons found that sergeants' salaries were set just above the median of private sector comparators, but Sheehy found this to be justified due to nature of the role<sup>109</sup>. Sheehy recommended the retention of the overlapping pay scales of constables and sergeants first introduced by Edmund-Davies. The recommended adjustments to the sergeants' salary scale would have had the effect of:
- lowering the sergeants' starting salary (from £20,043 to £17,214);
  - keeping the sergeants' mid-point the same; and
  - raising the sergeants' maximum (from £22,992 to £25,822).
- 7.1.85 The inspectors' mid-point on the scale was found to be below the private sector median for comparable roles. Sheehy recommended the mid-point be raised to just above the private sector median to reflect the new inspector role (one of Sheehy's other recommendations was for the ranks of inspector and chief inspector to be combined) and changes to terms and conditions in the rank<sup>110</sup>. The effect of the changes to the inspectors' pay scale would have had the effect of:

101 *ibid.* paragraph 5.6

102 *ibid.* paragraph 5.10

103 *ibid.* paragraph 5.23

104 *ibid.* paragraph 7.17

105 *ibid.* paragraph 7.19

106 *ibid.* paragraph 7.18

107 *ibid.* paragraph 7.39

108 *ibid.* paragraph 7.42

109 *ibid.* paragraph 7.21

110 *ibid.* paragraph 7.23

- reducing the starting salary (from £22,992 to £22,214);
  - placing the mid-point of the new inspector rank higher than that of the existing chief inspector mid-point;
  - raising the maximum for the new inspector role higher than that of the current maximum for chief inspectors (£33,322 compared to £29,037)<sup>111</sup>; and
  - introducing overlapping pay scales in relation to the top of the sergeants' pay scale (£25,822) and the bottom of the new inspectors' pay scale (£22,214).
- 7.1.86 On the basis of evidence received in submissions indicating that it was inappropriate to pay overtime to management grades, Sheehy recommended that inspectors and chief inspectors should no longer receive overtime payments<sup>112</sup>. His view was that their overtime should be bought-out by increasing the mid-point of the revised inspector pay scale by two pay points.
- 7.1.87 Sheehy recommended the introduction of overlapping pay scales at all levels of the police service “so as to provide better opportunities to reward performance and greater scope for career development within rank”<sup>113</sup>. Previously, the only overlapping pay scale was that of constable and sergeant, and that had only been introduced following Edmund-Davies' recommendations in 1978.
- 7.1.88 Sheehy also made recommendations for a new form of pay index to replace that instituted following the Edmund-Davies report. Sheehy recommended that a new formula should be based on non-manual private sector pay settlement movements<sup>114</sup>. This was significantly different from the Edmund-Davies model, which had linked police pay to average earnings (that is, total remuneration rather than just wages) across both the public and private sectors. And unlike the Edmund-Davies index which was national in scope, Sheehy recommended that there should be a high degree of local flexibility in how pay levels and upratings would be implemented<sup>115</sup>.
- 7.1.89 Sheehy's recommendations were truly radical. They met with widespread opposition in the police service and also coincided with a change in political leadership at the Home Office. The Rt Hon Lord Howard of Lympne QC (then a Member of Parliament) was appointed Home Secretary on 27 May 1993. His primary focus was on cutting crime, and he accorded a lower priority to reforms to police pay, important as they were. Many of Sheehy's recommendations were not implemented, and the only recommendations relating to basic pay for the Federated ranks that were introduced were the buying out of overtime for inspectors and chief inspectors, and the introduction of a new mechanism for pay uprating, based on non-manual private sector pay settlements.

#### *From Sheehy to the present*

- 7.1.90 In 2002, following the Government's police reform White Paper *Policing A New Century: A Blueprint for Reform*, the Federated ranks were made eligible for Competence Related Threshold Payments (CRTPs). These were additional payments for those officers, already at the top of their pay scale, who could demonstrate high professional competence. There is more information on CRTPs in Chapter 8.
- 7.1.91 The 2002 PNB agreement on police pay and conditions resulted in the pay scales for Federated ranks being shortened, with effect from 1 April 2003. The changes reduced the constables' pay scale from 15 points to 11 points, and were phased in over three years.
- 7.1.92 The first point of the sergeants' pay scale was removed with effect from 1 April 2003, resulting in a five-point pay scale. The first point of the inspectors' pay scale was removed with effect from 1 April 2003, resulting in a four-point pay scale. The first point of the chief inspectors'

111 *ibid.* pages 70-71

112 *ibid.* paragraph 9.7

113 *ibid.* paragraph 7.38

114 *ibid.* paragraphs 8.11-8.12

115 *ibid.* paragraphs 8.34-8.35

pay scale was removed with effect from 1 April 2003, resulting in a two-point pay scale. With effect from 1 September 2003, a three-point pay scale was reintroduced. More information on recent pay negotiations can be found in Chapter 10.

- 7.1.93 On 22 June 2010, the Government announced a two-year public sector pay freeze which applies to the police along with all other public services. The recommendations in Part 1 included one that, in addition to the pay freeze, pay progression through increments on the basic pay scale be suspended for two years. On 30 January 2012, the Home Secretary announced that she accepted the determination of the Police Arbitration Tribunal, which said that there should be no suspension of progression increments for the points below pay point 2 of the constables' pay scale. The remainder of the progression freeze was endorsed, and has been accepted by the Home Secretary.

*Status quo*

- 7.1.94 The current pay scale for constables is reproduced below. As set out in Determination Annex F, made under Regulation 24 of the Police Regulations 2003, pay progression is based upon time in rank. The probationary period for new constables is normally two years.

<b>Table 7.1: Constable salaries</b>	
<b>Pay point</b>	<b>Constable salary with effect from 1 September 2010</b>
On commencing service	£23,259
On completion of initial training	£25,962
2	£27,471 (a)
3	£29,148
4	£30,066
5	£31,032
6	£31,917
7	£32,703
8	£33,753
9	£35,796
10	£36,519 (b)

Source: Police Regulations and Determinations 2003  
(a) All officers move to this salary point on completion of two years' service as a constable.  
(b) Officers who have been on this point for a year were eligible to apply for Competence Related Threshold Payment.

- 7.1.95 The current pay scale for sergeants is reproduced below. Pay progression is based upon time in rank.

<b>Table 7.2: Sergeant salaries</b>	
<b>Pay point</b>	<b>Sergeant salary with effect from 1 September 2010</b>
0	£36,519 (a)
1	£37,767 (b)
2	£39,036
3	£39,867
4	£41,040 (c)

*Source: Police Regulations and Determinations 2003*  
 (a) Entry point for officers promoted from constables' pay point 9 or lower.  
 (b) Entry point for officers promoted from constables' pay point 10.  
 (c) Officers who have been on this point for a year were eligible to apply for a Competence Related Threshold Payment.

7.1.96 The current pay scale for inspectors is reproduced below. Pay progression is based upon time in rank.

<b>Table 7.3: Inspector salaries</b>	
<b>Pay point</b>	<b>Inspector salary with effect from 1 September 2010 (London salary in brackets)</b>
0	£46,788 (£48,840)
1	£48,108 (£50,163)
2	£49,428 (£51,489)
3	£50,751 (£52,818)

*Source: Police Regulations and Determinations 2003*

7.1.97 The current pay scale for chief inspectors is reproduced below. Pay progression is based upon time in rank.

<b>Table 7.4: Chief Inspector salaries</b>	
<b>Pay point</b>	<b>Chief inspector salary with effect from 1 September 2010 (London salary in brackets)</b>
1	£51,789 (£53,853)
2	£52,830 (£54,888)
3	£53,919 (£55,980)

*Source: Police Regulations and Determinations 2003*

- 7.1.98 Inspectors and chief inspectors in London (both the Metropolitan Police Service and the City of London Police) receive a higher salary than their counterparts elsewhere in England and Wales, in addition to the London Allowance and London weighting. London salaries for inspectors and chief inspectors are the only remaining salary distinction based on location in the Federated ranks. It was commonplace in the 19<sup>th</sup> and early 20<sup>th</sup> centuries for officers in the ranks above sergeant to be paid different rates in different forces, partly as a result of local labour markets, but also because the weight of the job varied widely. One of Desborough's central recommendations had been for the harmonisation of the responsibilities and pay of officers in the ranks above sergeant. Harmonisation has occurred in all areas except for the inspecting ranks in London.

## Analysis

### *Recruitment and retention*

- 7.1.99 The principal purpose of pay is to provide sufficient reward to recruit and retain officers of the right quality. Recruitment and retention are, as Professor Disney says in his economic analysis for this Part 2 report, the principal issues in determining whether police officers' pay is set at the right level. Indeed, they have underpinned many of the past reviews of police pay.
- 7.1.100 In his economic analysis for this report and its predecessor (Part 1), Professor Disney has found that the police service does not have any recruitment difficulties and has not had serious difficulties in that respect for many years.
- 7.1.101 In his analysis, Professor Disney has undertaken a detailed investigation into recruitment into the police service to find evidence as to whether any or all police forces have recruitment and retention difficulties<sup>116</sup>. He suggests that were such recruitment and retention difficulties to be evidenced, they would suggest that pay should be increased. However, the absence of recruitment and retention difficulties:
- “would suggest that current contractual terms and pay rates are more than sufficient to deliver an appropriate police force across the country. An implication which immediately follows is that, in times of economic stringency, terms and conditions need only be sufficient to ensure a police service of the appropriate quality, and not such as to supply an excess number of potential recruits of an adequate standard”.*
- 7.1.102 Professor Disney finds that there is no shortage of applicants for the police force. He recognises of course that not all of these applicants will be suitable and not all will pass the national recruitment assessment centre (SEARCH). However, he also finds that enough successful candidates are found to satisfy recruitment targets. He also finds that it is probable that forces would be able to find even more successful candidates than they do at present if recruitment pressures forced them to do so. This is because many forces use arbitrary measures (such as limiting the number of application forms and handing them out on a first-come-first-served basis) arbitrarily to restrict the number of candidates.
- 7.1.103 Professor Disney's research has found that there is no evidence of a general problem of retention of police officers. In 2011, the Institute for Fiscal Studies found that police officers have one of the lowest rates of departure from public sector employment of any public sector professional group<sup>117</sup>. Table 7.5 below shows annual rates of departure from public sector employment, where the person in question moves into the private sector. Private sector turnover rates are typically around 10%.

116 Appendix 3 of this report

117 *The Green Budget*, Institute for Fiscal Studies, London, 2011, page 183

**Table 7.5: Public sector departures into private sector employment, 2006-2009**

Occupation	% moving into private sector employment
Police	1.7%
Doctors	6.9%
Nurses	2.1%
Other health	4.3%
Prison Officers	3.2%
Teachers	4.0%
Civil Servants	2.7%
HM Forces	7.8%

*Source: The Green Budget, Institute for Fiscal Studies, 2011*

- 7.1.104 In summary, Professor Disney's economic analysis indicates that constables' basic pay is at least sufficient to recruit the required number of officers of the right calibre (and could probably recruit more if needed). It also indicates that constables' basic pay is at least sufficient to retain officers of the right calibre.

#### *Comparison with other occupations*

- 7.1.105 In his economic analysis for Part 2, Professor Disney has updated his research into police officers' pay in comparison with other occupations. His Part 1 analysis was based on data from the 2009 Annual Survey of Hours and Earnings (ASHE). He has updated it using data from the 2010 and preliminary 2011 ASHE results. The analysis broadly confirms the statistical findings from Part 1. The principal points are:

- police officers' (constables and sergeants) average earnings are 10 to 15% above those of the other emergency occupations and comparable ranks in the armed forces; and
- this level of earnings is on a par with many white collar professions whose members require many more formal educational qualifications.

- 7.1.106 Preliminary 2011 ASHE data also show that police officers' (constables and sergeants) pay rose between 2010 and 2011 by a greater nominal percentage change than average earnings as a whole. Their pay at the median increased by 2.4% for male officers and 2.5% for female officers. Average earnings for all full-time males increased by 0.2% at the median, and by 1.4% for females.

#### *International comparison*

- 7.1.107 In his economic analysis for Part 1, Professor Disney compared the average pay of police officers in England and Wales with those of their counterparts in Australia, Canada, Denmark, Germany, New Zealand, Sweden and the United States of America. He advised that international comparisons should always be treated with caution. He found that average police pay in the northern European countries (Denmark, Germany and Sweden) is closer to national average earnings than it is in England and Wales. This means that police in those countries are paid comparatively less than they are in England and Wales. Police pay in Australia, Canada and New Zealand lies at a similar point in the earnings distribution to that of England and Wales. In the United States, police pay is far more heterogeneous; there are over 17,000 police forces and pay is bargained locally.

### Costs

- 7.1.108 Basic pay for the Federated ranks represents about 98% of the total police officer salary bill, costing approximately £4.8 billion in the 2010/11 financial year. Table 7.6 sets out approximate costs for each of the Federated ranks.

<b>Table 7.6: Cost of salaries for Federated ranks, 2010/11 financial year</b>					
	<b>Constables</b>	<b>Sergeants</b>	<b>Inspectors</b>	<b>Chief inspectors</b>	<b>Total</b>
<b>Full time equivalents (FTE)</b>	106,599	22,235	6,751	1,885	137,470
<b>Cost (£)</b>	£3,523 million	£898 million	£347 million	£102 million	£4,870 million
<b>% of total police officer salary costs</b>	71%	18%	7%	2%	98%

Note: These costs exclude employer NI and pension contributions.  
Source: Review's own modelling

- 7.1.109 The two-year public sector pay freeze, combined with the two-year freeze on incremental pay progression announced by the Home Secretary on 30 January 2012, means that these costs are likely to stay broadly the same in the short-term.

### Equal pay

- 7.1.110 For many years, the constables' pay scale has been a long one, with ten or more annual increments. Taking into account the long-service increments that have sometimes been in place, there was a time when it could take a constable 22 years' of service to reach his maximum pay. The current constables' pay scale consists of 11 pay points and it takes a constable ten years to reach the maximum.
- 7.1.111 There may be good reasons to have incremental pay scales. As the Megaw Inquiry into civil service pay put it:
- “Incremental scales reflect the fact that individuals take time to become fully proficient in all the work of their grade and make it possible to recognise increasing experience and provide some incentive for staff to stay at an organisation”<sup>118</sup>.*
- 7.1.112 In recent years, service-related pay scales – where increases in pay are dependent on years of service – have been challenged in equal pay claims. This is because women tend to be less likely than men to reach the top of long salary scales because they decide – or are compelled – to interrupt their careers when they have children. This can result in women doing the same job as men, with an equal level of proficiency, but for lower pay, because they are lower down the salary scale.
- 7.1.113 The leading case in this area is *Wilson v. Health and Safety Executive*<sup>119</sup>. Mrs Wilson worked as an environmental health inspector for the Health and Safety Executive (HSE). She lodged an equal pay claim in 2002. The claim was based on the fact that three male colleagues, all of whom were at the same pay grade and whose work had been rated as equivalent to hers in a job evaluation study, were paid more than she was. The difference in pay was caused by a combination of factors, one of which was an incremental pay scale that typically covered a progression of ten years (after which no further increases were awarded).
- 7.1.114 Mrs Wilson accepted that the HSE was justified in having an incremental pay scale to reflect the experience gained in service for a period beyond the initial appointment. Somebody with such experience would be more proficient at the job and therefore of greater value

<sup>118</sup> *Inquiry into Civil Service Pay: Report*, Cmnd. 8590, London, 1982

<sup>119</sup> *Wilson v. Health and Safety Executive* [2009] EWCA Civ 1074

to the employer. The point of disagreement was over how long that period between initial appointment and reaching full competence should be. The HSE argued that the ten-year scale was justified. Mrs Wilson argued that three years was the correct period.

7.1.115 The case went through a series of appeals, in part because another, similar case, that of *Cadman v. Health and Safety Executive*<sup>120</sup>, was referred to the European Court of Justice at the same time. Once the final determination in Mrs Wilson’s case had been made by the Court of Appeal in 2009, it was established that:

- an employer may be required to justify objectively not only the adoption of a service-related pay scale but also its use;
- employers do not, as a general rule, have to justify pay progression on the basis of length of service, because the law recognises that they are entitled to reward experience. But they do need to do so when an employee provides evidence capable of raising serious doubts as to whether it is appropriate to award pay increases based on length of service. The employee needs to show, pre-trial, that there is evidence from which, if established at trial, it can properly be found that the general rule does not apply. The burden would then shift to the employer to justify the use of length of service; and
- in such cases, the employer needs to demonstrate that the adoption or use (as the case may be) of the incremental pay scale is proportionate.

7.1.116 The effect of this decision is that employers will find it hard to defend service-related pay in jobs where employees learn the main skills required relatively quickly, and there is little or no evidence that longer service has a positive impact on performance.

7.1.117 In order to be fair to all officers, and to mitigate the risk of equal pay challenges, it is important that the pay scales for Federated officers are no longer than is required to reflect experience-related improvements in performance.

7.1.118 At constable rank, both women and BME officers are under-represented at the top of the pay scale. Table 7.7 below shows the proportion of those constables who are at the pay maximum, according to their gender and ethnicity. This shows that white males are overwhelmingly the largest group at the pay maximum. However, this could simply be because white males make up the overwhelming majority of constables. Table 7.8 shows the proportion of each group who are at the top of the pay scale. This clearly shows that, of all four groups, white males are the most likely to be at the top of the pay scale.

**Table 7.7: Constables at the pay maximum by gender and ethnicity**

	<b>% of all constables at the pay maximum</b>
BME female	1%
BME male	2%
White female	24%
White male	73%

*Source: Review’s own modelling*

120 *Cadman v. Health and Safety Executive*, C-17/05 [2006] ECR I-9583

**Table 7.8: Proportion of female and BME constables at the pay maximum**

Group	% at the pay maximum
BME female	28%
BME male	28%
White female	36%
White male	47%

*Source: Review's own modelling*

- 7.1.119 In 2009, the Police Arbitration Board of England and Wales (PABEW) conducted an equal pay audit into police officer earnings<sup>121</sup>. It found that female constables earned 5.7% less than male constables in basic pay. Once overtime, SPPs and CRTPs had been taken into account, female constables earned 9.1% less than their male counterparts.
- 7.1.120 Amongst sergeants, females earned 1.3% less than males in their basic pay. When overtime, SPPs and CRTPs were included, the gap increased to 6.9% of earnings. Female inspectors and chief inspectors earned 1.1% and 0.9% less than their male counterparts through basic pay. The addition of CRTPs and SPPs increased the gap to 2.7% in both ranks.
- 7.1.121 Data from the Office for National Statistics from 2008, quoted in the same report, show that full-time females are paid on average 17.1% less *per* hour than their male counterparts, and 35.6% less if working part-time.

#### *Alternative basic pay models in the public sector*

- 7.1.122 Although no one occupation is directly comparable to policing in all respects, the basic pay arrangements in the other public services provide a useful contrast to current practice in the police service. This section details the basic pay arrangements of teachers, NHS staff and prison officers. Teachers, nurses and prison officers provide frontline services throughout England and Wales to a wide variety of people from all sections of society, just as police officers do, even though the contents of their jobs of course differ one from another.

#### *Teachers*

- 7.1.123 Classroom teachers are on a six-point pay spine, starting, outside London, on £21,588 *per annum* (teachers in London have different pay spines). There are five increments, worth approximately £2,000 each, taking the maximum of the pay spine to £31,552<sup>122</sup>.
- 7.1.124 Like the police service, teaching requires a large number of frontline staff with relatively few management positions into which ambitious and talented staff can be promoted. Teachers at the top of the six-point classroom teacher pay scale may apply to become a 'post-threshold teacher'. There are an additional three scale points for post-threshold teachers, starting at £34,181 and rising, in two increments, to £36,756 for teachers outside London. These post-threshold pay points are broadly analogous to the Competence Related Threshold Payment in policing. Teachers must apply for the post-threshold increments against a set of pre-determined standards, and they will only be awarded if the application is assessed as meeting those standards<sup>123</sup>.
- 7.1.125 Advanced Skills Teacher is a special grade, created in the late 1990s to keep highly skilled teachers in the classroom. To become an Advanced Skills Teacher, a teacher must meet a set of assessment criteria, judged by an external assessor. These posts have time set aside from classroom teaching to enable the Advanced Skills Teacher to provide professional development and support to colleagues, both in their own and other schools. They are paid at the same

121 *Equal Pay Audit – Preliminary Report*, Police Advisory Board of England and Wales, 2009 (amended May 2010)

122 *School Teachers' Pay and Conditions Document 2011*, Department for Education, London, 2011, page 50

123 *ibid.* page 54.

rate as managers. The degree to which the post-threshold points and Advanced Skills Teacher grades are based on the assessment of accredited skills is discussed in Chapter 9.

- 7.1.126 Advanced Skills Teachers have a separate 18-point pay scale. It starts, for teachers outside London, at £37,461 and rises to a maximum of £56,950. These are the same pay rates as the first 18 points of the ‘Leadership Group’ pay spine, which is used to determine the pay of Head Teachers, Deputy Head Teachers, and others with management roles in schools. Each Advanced Skills Teacher role is placed on the pay spine on the basis of job weight, with a five-point range.
- 7.1.127 A new Excellent Teacher grade was created in 2004. The purpose of the scheme is to keep the best and most experienced teachers in the classroom by paying them more, without requiring them to take on the additional responsibilities of the Advanced Skills Teacher. Applicants must have spent at least two years at the top of the post-threshold teacher pay scale, and pass an assessment. They are paid a spot rate, chosen by their school from a national span ranging from £39,697 to £52,090.

#### *National Health Service*

- 7.1.128 A significant majority of NHS employees are subject to the Agenda for Change pay arrangements<sup>124</sup>. Each role has been subject to a job evaluation process. The job evaluation process was designed nationally but is implemented locally. It gives each job a score which represents the weight of the job. This score is then used to calculate into which one of 12 pay bands the job should be placed.
- 7.1.129 The 12 pay bands each cover a segment of the nationally determined pay spine. For example, nurses are on pay band five, which is eight pay points long, starting at £21,176 and reaching a maximum of £27,625.
- 7.1.130 The bands vary in length from three spine points to nine. All 12 of the pay bands overlap, in one case by as much as four pay points. The national pay spine consists of 54 pay points, ranging from £13,903 up to £93,478.

#### *HM Prison Service*

- 7.1.131 In October 2009, there was a significant change to the pay and conditions of uniformed staff in HM Prison Service. Those Prison Officers who were already in post had their pay and conditions protected, but the grade was closed to new entrants. These Prison Officers (closed grade) are on a seven-point incremental pay scale, starting at £18,135, rising to £28,930 at the maximum. Prison Officers (closed grade) work a 39-hour week, with an unsocial hours payment worth 17% of their salary included in their basic pay.
- 7.1.132 Those who joined HM Prison Service in or after October 2009 were recruited into a new grade called Prison Officer 2. The pay scale for that grade begins at £14,940 and at present consists of three pay points. The maximum is £16,250. A Prison Officer 2 is contracted to work a 37-hour week but may opt to work up to four additional hours per week, for which he receives payment at the rate of 1.2% of basic salary. A Prison Officer 2 does not have any unsocial hours payment included in his salary. It is paid as a separate allowance to those officers who actually work unsocial hours, at a rate of 17% of basic pay (worth £2,497).
- 7.1.133 Senior Officers have a single spot rate of £31,169 per annum. The Principal Officer grade, which is now a closed grade, has a two-point pay scale, starting at £31,762 increasing to £33,537 after one year.
- 7.1.134 These examples show the diversity of approaches to basic pay even within the relatively restricted sphere of public sector service delivery employers. A mixture of spot rates and pay scales are used, with differing levels of local and national control over pay rates. Both butt-

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124 The Agenda for Change pay structure was introduced in the NHS in 2004. It replaced a more complex pay system under which approximately 30% of NHS employees were employed on local contracts. The Agenda for Change reforms moved all employees on to national contracts and made them subject to a national pay and grading system

ending and overlapping pay scales are used. In teaching and the prison service, recent pay reforms have created new grades and pay structures.

*Analysis of the London lead for inspectors*

- 7.1.135 The London lead for the inspecting ranks is the last surviving example of what was, in the early 20<sup>th</sup> century, a common practice. The pay of the ranks above sergeant used to vary widely between forces, as the roles and job weights undertaken by officers, even with nominally the same rank, differed significantly from force to force. Desborough's recommendation that responsibilities and pay at each rank be standardised was accepted and implemented in all cases except in the cases of inspectors in the two London forces.
- 7.1.136 One theory in support of the London lead is that inspectors in London have an especially challenging job because they are required to deal with more public order incidents than their counterparts in other forces. This theory is explored in detail below.
- 7.1.137 Public Order Units (POUs) are on average made up of one inspector, three sergeants and 21 constables. POUs in the Metropolitan Police Service (MPS) make up 16% of all POUs, whilst the total of inspectors, sergeants and constables in the MPS make up 23% of all officers. Within ranks, the position is as follows:

**Table 7.9: Rank breakdown in POUs: Metropolitan Police Service**

Rank	Officers in POU	Officers total	% Officers in POU
Inspector	153	1,508	10%
Sergeant	459	5,643	8%
Constable	3,213	24,982	13%

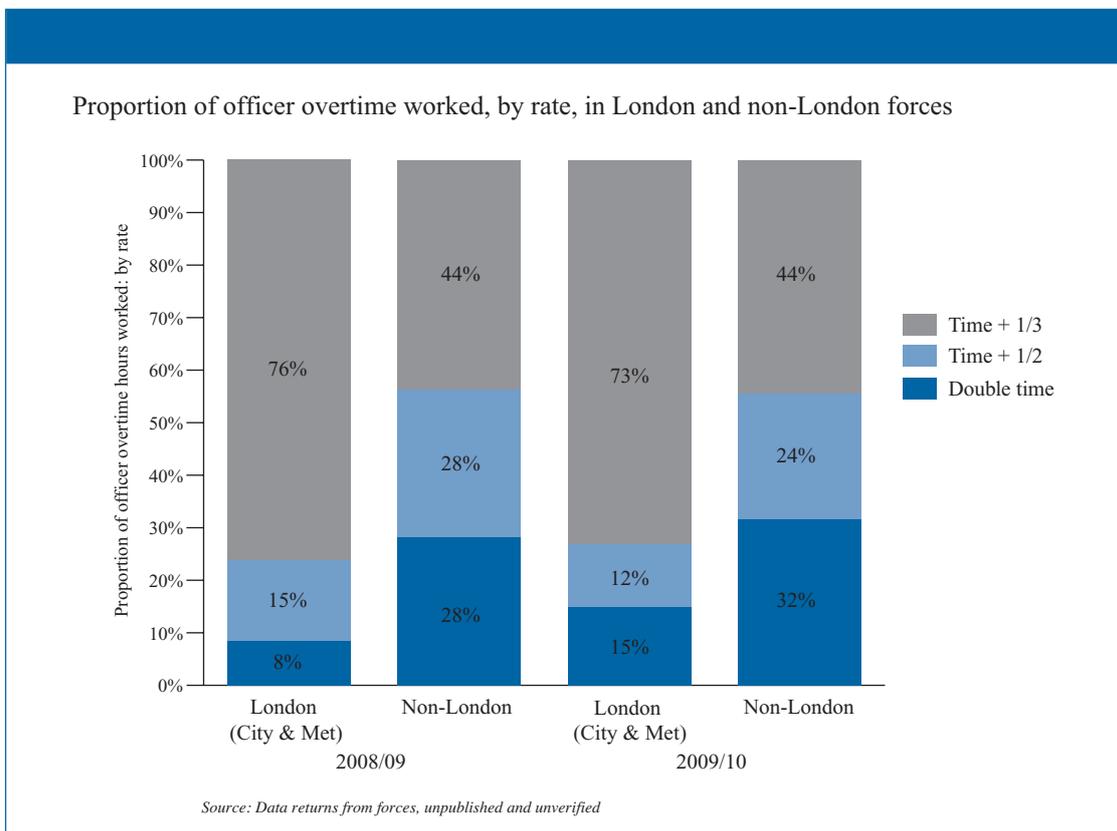
*Source: Advice from ACPO and the NPIA dated 26 January 2011 and ADR 582*

**Table 7.10: Rank breakdown in POUs: all other forces in England and Wales**

Rank	Officers in POU	Officers total	% Officers in POU
Inspector	794	5,283	15%
Sergeant	2,382	16,848	14%
Constable	16,674	83,705	20%

*Source: Advice from ACPO and the NPIA dated 26 January 2011 and ADR 582*

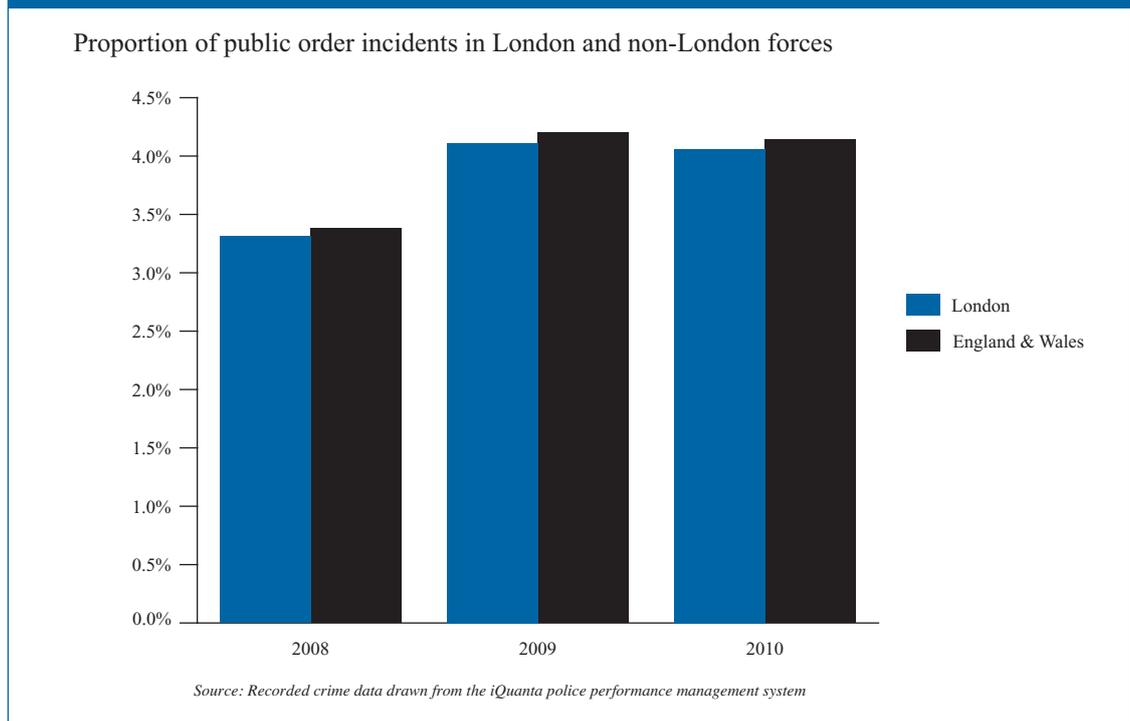
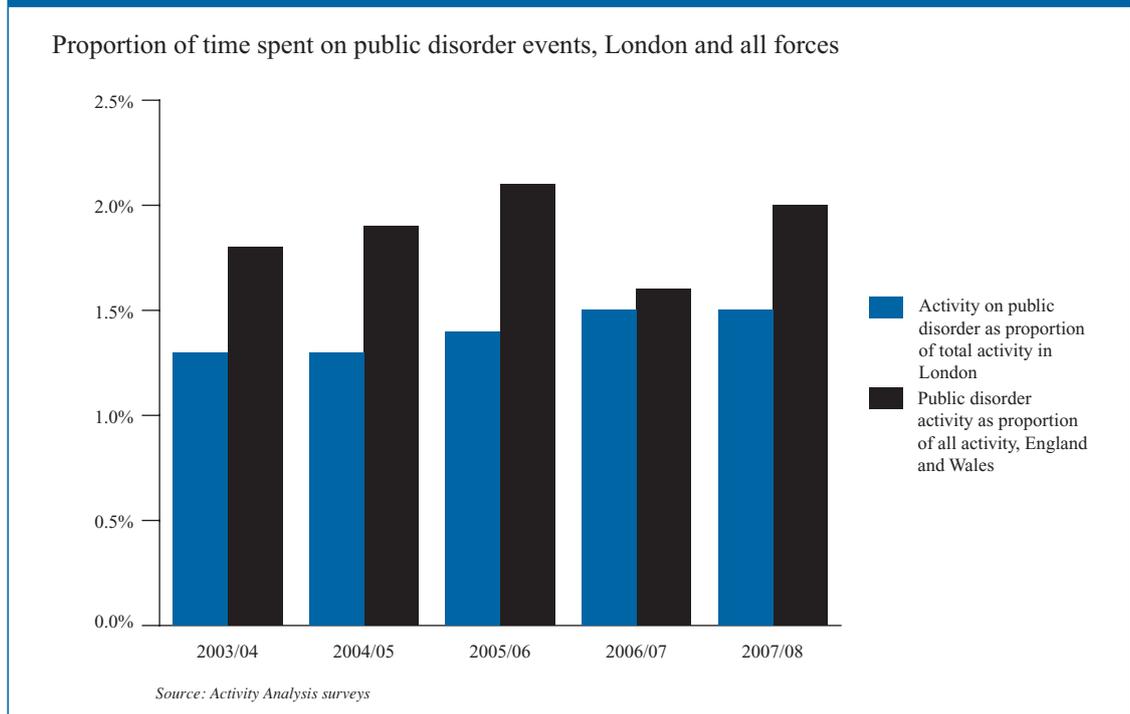
- 7.1.138 Figure 7.1 below shows that in both 2008/09 and 2009/10, constables and sergeants in London forces worked a significantly greater proportion of overtime by rate at time and a third (casual overtime) than their counterparts in non-London forces. From consultations with officers for Part 1, it was determined that the majority of this probably resulted from officers working beyond their tours of duty, rather than having started their shifts earlier or having been recalled between shifts. Constables and sergeants in forces outside London worked a greater proportion of time at both time and a half and double time than did those in London forces.



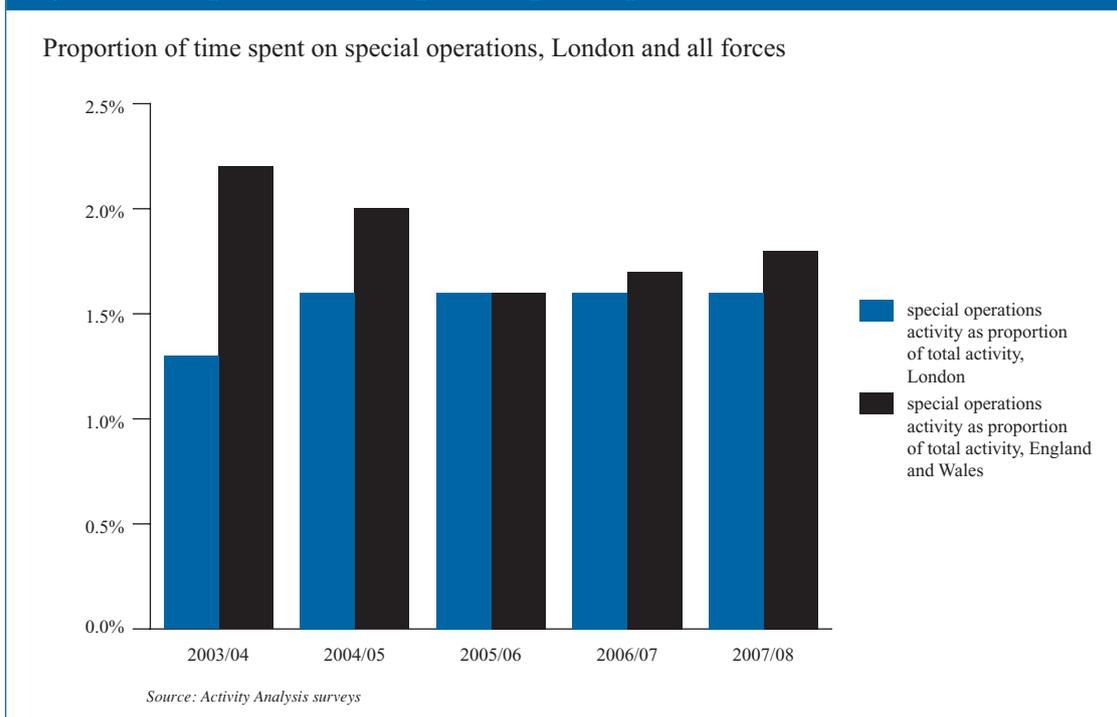
7.1.139 The evidence cited above is indirect, and it is possible to test directly whether officers in London are required to deal with larger numbers of public order cases. Data on the numbers of incidents of public disorder recorded by forces are available alongside other recorded crime data, and the proportions of such events recorded in London in the years 2008-2010 are plotted in Figure 7.2 below, compared with the proportions of public disorder events to all events recorded in England and Wales as a whole. The proportion in each year is very similar in each case, and a further check shows that the percentage of all public disorder events which were recorded in London, and the proportion of all events which were recorded in London, are both around 20%. They are similar both to one another and to the proportion of officers in London. There is no evidence that London officers attend disproportionate numbers of public disorder incidents. London does not have disproportionate numbers of incidents overall, or of public disorder incidents, relative to the number of police officers in London.

7.1.140 Numbers of incidents may not present a comprehensive picture; it is possible *a priori* that London inspectors are often forced to attend larger and more serious public order incidents than officers in other forces. If this were the case, they could be expected to spend more time dealing with such incidents, and data drawn from the Activity Analysis (AA) surveys carried out in the financial years 2003/04 to 2007/08 allow us to test whether this is in fact the case<sup>125</sup>. Figure 7.3 below shows the proportion of time spent on public order incidents by officers in London, compared with the proportion of time spent on public disorder incidents by all officers; it can be seen that in reality London officers spend slightly less time on public disorder than those in other forces.

<sup>125</sup> These were surveys of officers' activity over a sample fortnight to determine the frequency and breadth of functions that police officers undertook

**Figure 7.2: Proportion of public order incidents in London and non-London forces****Figure 7.3: Proportion of time spent on public disorder events, London and all forces**

7.1.141 It may be that London officers spend significantly more time on the kinds of large public order events which are specifically planned as set-piece special operations. If so, it would be expected that the proportion of time spent on such events would be greater in London; as can be seen from Figure 7.4 below, this does not appear to be true for the bulk of activity.

**Figure 7.4: Proportion of time spent on special operations, London and all forces**

7.1.142 Finally, the police activity data used here were collected over a two-week survey period which may not have included the largest incidents and most exceptional events that officers have to deal with; for this reason data were also collected on exceptional events which might tend to have a disproportionate impact on deployment through the year. Examining these data offers a somewhat mixed picture. All of London's exceptional events fall into the public order categories in one year, and none in the other two available. The national picture is similarly varied. However, the total cost of these exceptional events in London accounted at most for around 0.6% of the total cost of policing in London in any given year. This indicates that they do not form a very significant part of the workload of London officers.

## Consultation

### *Response by the Association of Chief Police Officers*

7.1.143 In its Part 1 submission, ACPO argued for changes to the remuneration system for police officers so that skills and contribution are rewarded. In its Part 2 submission, ACPO reiterated this approach, advocating a pay system founded on the principle of 'reward not entitlement'. It also stressed the importance of setting remuneration at levels sufficient to attract the right calibre of candidate. It is ACPO's case that appropriate remuneration levels are also important to ensure "the integrity of policing and the quality of the service provided to the public"<sup>126</sup>.

7.1.144 ACPO says that police officers need "exceptional communication, problem-solving and decision-making skills"<sup>127</sup>. ACPO argues that these skills are highly sought after elsewhere in the labour market, and that appropriate levels of remuneration must be offered to attract the right calibre of recruit.

### *Response by the Association of Police Authorities*

7.1.145 The APA advocates the convergence of the pay schemes for police officers and staff. Both officers and staff should be paid on the basis of role and performance. The APA proposes a pay model whereby officer and staff pay would be based on three components: 'base pay', a nationally prescribed level of pay related to the job role; a nationally prescribed 'X-factor'

126 ACPO submission, page 8

127 *ibid.* page 8

which is only paid to officers; and a locally-determined ‘role premium’ which could be paid, at local discretion, to reflect local recruitment and retention issues.

- 7.1.146 The APA says this model would give police and crime commissioners a degree of flexibility to set local pay for both officers and staff to cater for the particular requirements of local labour markets.

*Responses by police forces and authorities*

- 7.1.147 West Midlands Police and West Midlands Police Authority, in their joint submission, argue that pay has a relatively low impact on recruitment provided that it is broadly in line with comparable occupations. They suggest that because policing is a vocation, with intrinsic attractions, there is simply no need to offer financial incentives to attract recruits.
- 7.1.148 They advocate ‘butt-ending’ the pay scales of all ranks to ensure that the increased responsibilities and demands of promotion are rewarded.
- 7.1.149 The Metropolitan Police Authority argues that current rates of pay for police officers are “extremely generous”<sup>128</sup>. It suggests that greater attention should be paid to regional variations in the labour market and cost of living<sup>129</sup>.
- 7.1.150 The joint submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire police forces argues that the current police constable pay scale is too long. The pay scale rewards length of service rather than competence. The joint submission advocates a constable pay scale that is four to six pay points long and should reward contribution rather than length of service. The forces argue that a constable could be said to be fully competent after two to five years of service, and therefore no further pay increments would be justified after that time. Instead, it advocates arrangements under which role-relevant accredited skills are recognised through the pay system.
- 7.1.151 The joint submission also argues for a significant reduction in the pay of new recruits who have not yet completed their training, suggesting that £16,000 *per annum* would be an appropriate rate of pay for trainee officers, rising to £23,000 on completion of probation. Alongside this proposal, it recommends action to increase the number of mature recruits who enter the service, as they bring important skills and experience from other fields. It suggests that £30,000 *per annum* would be a suitable maximum for constables<sup>130</sup>.
- 7.1.152 The joint submission also says that the overlap in the pay scales of constables and sergeants should be removed because the current structure discourages individuals to seek promotion.
- 7.1.153 The Metropolitan Police Service states that a combination of factors – the pay and progression freeze, high inflation, increased pension contributions and reduced overtime – is reducing the real terms value of police officers’ pay. It is concerned that this may lead officers into taking on debt and that debt is a precursor to corruption. The Metropolitan Police Service sees the reduction in real terms income as a factor that will increase the proportion of officers taking on secondary employment, and it is concerned that this too increases the risk of corruption<sup>131</sup>.
- 7.1.154 The Metropolitan Police Service advocates a five-point pay scale in all ranks below Assistant Chief Constable<sup>132</sup>. It says that pay progression should be on the basis of accredited qualifications that are relevant to the role held by the individual.
- 7.1.155 It also recommends that there should be a pay increase of five to ten *per cent* on promotion, but that promotion should not be the sole means of increasing pay.

128 *Submission from Metropolitan Police Authority*, September 2011, unnumbered pages, answer to question 1.3

129 This issue is addressed later in this Chapter in the regional pay section

130 *Submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire police forces*, September 2011, page 4

131 *Submission from Metropolitan Police Service*, October 2011, page 17

132 *ibid.* page 4

*Response by the Police Federation of England and Wales*

- 7.1.156 The Police Federation argues that police constables' pay should be set at about the 75<sup>th</sup> percentile of the earnings distribution, since this was the level it reached in 1980, following the second stage of the Edmund-Davies pay settlement. The fact that Professor Disney found that combined constables' and sergeants' pay was at the 75<sup>th</sup> percentile at present is not, in the Police Federation's opinion, an indication that pay is too high. If anything, the Police Federation argues, it is an indication that it is too low, as the 1980 figure was for constables only.
- 7.1.157 The Police Federation is in favour of pay progression on the basis of duration of service. It says that competence increases with experience and that it is right to reward this through the pay system. Research conducted by the Hay Group in 1999 for the Police Federation found that it takes about six to eight years for an individual to develop all the skills required of a fully competent constable<sup>133</sup>. The Police Federation suggests that an incremental scale of about this length would therefore be appropriate.
- 7.1.158 The Police Federation says that no comparable research has been conducted on the other Federated ranks. On the basis that the skills required in the ranks above constable build upon the skills acquired as a constable, the Police Federation says that the pay scales for these ranks should be shorter. They are indeed shorter, and the Police Federation therefore sees no reason to change them.
- 7.1.159 The Police Federation states that pay must be sufficiently attractive to recruit, retain and motivate individuals of a high calibre. The combination of attributes required of an effective police officer is rare, and in order to find it a large pool of candidates is required. The rate of pay determines the size of the pool of potential recruits, and therefore any reduction in pay would make it harder to recruit officers of the right calibre.
- 7.1.160 The Police Federation says that pay rates must be high enough to attract candidates who take into consideration not only the starting salary, but lifetime earnings. In the past, the Police Federation reminds the review, there have been very severe recruitment and retention issues in the police service caused by low pay. It also stresses the importance of setting basic pay for constables at a rate that will make the police service attractive to those joining later in life, having worked in another career.
- 7.1.161 The Police Federation reminds the review that its recommendations in relation to pay must be compliant with equality law. Furthermore, the findings of the PNB 2009 equal pay audit, which showed that women earn less than men in the police service, must also be borne in mind when determining pay structures in policing<sup>134</sup>.
- 7.1.162 Finally, the Police Federation expresses its support for the retention of the London lead for the inspecting ranks because it reflects the weight of the job, with inspectors in the London forces having a wider range of responsibilities than their counterparts in other forces<sup>135</sup>.

*Response by the Police Superintendents' Association of England and Wales*

- 7.1.163 The Police Superintendents' Association says that the constables' ten-year pay scale is too long and is in need of reform. It suggests that it takes approximately six years to reach full competence at the rank of constable. It does not advocate capping the current scale at year six of the pay scale. Rather, it suggests that the total pay pot for constables should be maintained at its current size, but should be distributed differently. Pay progression should be on the basis of satisfactory performance, and those who work hardest and achieve the most should be rewarded accordingly.
- 7.1.164 The Association argues for the retention of the current pay scales for sergeants and inspectors. It suggests that the pay differential between inspectors and superintendents should be changed

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133 Police Federation submission, page 11

134 *ibid.* page 20

135 *ibid.* page 14

to reflect more accurately the increase in responsibility at superintendent rank. It also argues for a pay increase for chief inspectors, on the grounds that their responsibilities are increasing as they take on work previously done by superintendents. It says that this increase in chief inspectors' job weight has been caused by a reduction in the number of superintendents in recent years.

- 7.1.165 More generally, the Association advocates a "non-worsening" clause to ensure that any changes made to basic pay do not result in any serving officer experiencing a cut in pay<sup>136</sup>.

*Response by the Metropolitan and City of London Inspectors' Branch Boards*

- 7.1.166 The joint submission by the Inspectors' Branch Boards of both London forces favours the retention of the London lead. They argue that it should be retained for four central reasons. First, they argue that London is the most demanding policing environment anywhere in the United Kingdom. They point to its high population density, ethnic diversity, and extremes of socio-economic wellbeing. London's status as the capital city, the political and financial centre of the country, and a major international transport hub all bring unique demands, making it the most politically sensitive operational policing environment.
- 7.1.167 Secondly, and as a consequence of its unique demands, policing in London demands a greater breadth and depth of specialist skills than are required in other forces. The Metropolitan Police Service and City of London police have become international sources of policing expertise.
- 7.1.168 Having made the argument as to why policing in London is qualitatively and quantitatively more demanding than policing anywhere else in the UK, the branch boards argue that the London lead should only apply to the inspecting ranks. Their third argument is that the inspecting ranks "underpin every aspect of policing" and are "the cogs around which other parts of the policing machine revolve"<sup>137</sup>. On this basis, the inspecting ranks alone should be rewarded for the qualitative and quantitative demands of policing London.
- 7.1.169 Fourthly, they argue that the "levels of responsibility, spans-of-control ... and the workloads of the London inspecting ranks are routinely far in excess of those experienced by colleagues elsewhere in the UK"<sup>138</sup>.

*Response by the British Association of Women in Policing*

- 7.1.170 The BAWP says that the pay increase from sergeant to inspector is not great enough to compensate individuals for the loss of overtime payments and time off in lieu (TOIL). This discourages sergeants to apply for promotion to inspector. It also argues for an increase in the pay gap between inspector and chief inspector, as the pay scales for these ranks are currently 'butt-ended' with no significant gap between the top of the inspectors' pay scale and the bottom of the chief inspectors' pay scale. This serves as a disincentive to take on the greater demands at chief inspector rank.
- 7.1.171 In relation to the London lead for the inspecting ranks, the BAWP says that there is no sound rationale for treating them any differently from any other ranks in the London forces.

*Additional responses*

- 7.1.172 The Local Government Group says that it cannot see any justification for the London lead for inspectors and chief inspectors. It says that the London lead is not necessary in addition to London weighting and the London allowance, which was uprated significantly for officers who joined post-1994.
- 7.1.173 The Local Government Group suggests that the central consideration in setting the pay rates for sergeants and the inspecting ranks is to encourage the best people to seek promotion. Financial incentives are one factor of which account should be taken, but high quality line

<sup>136</sup> Police Superintendents' Association submission, page 4

<sup>137</sup> *Submission from Metropolitan and City Inspectors' Branch Boards*, September 2011, page 3

<sup>138</sup> *ibid.* page 8

management that develops individuals, interesting work, and transparent recruitment processes are also important in encouraging the best candidates to seek promotion.

### *Seminars*

- 7.1.174 At the review’s seminar on basic pay on 21 July 2011, Mr Blair Gibbs of Policy Exchange raised the example of the ‘senior constable’ rank that has been used for many years in some Commonwealth police forces<sup>139</sup>. This rank allows experienced constables, who want to stay in a front line, non-management role, to take on additional mentoring responsibilities in exchange for greater pay. He suggested that the review gives consideration to the possibility of creating such a rank in England and Wales.

### *Website*

- 7.1.175 A significant majority of comments on the review’s consultative website were in favour of maintaining the *status quo*. However, some alternative views were expressed. One respondent says that “I have worked with several officers young in service that out-work and out-perform much [more] ‘senior’ officers. Having increments based on experience is correct, but should be reduced to around five years as this is a time when most officers are fully competent”. Another respondent suggests a new pay structure along the following lines: “£30,000 basic plus 20% shift allowances and role specific allowances plus overtime”. One respondent commented on the phasing of any changes, saying that “[a]ny changes should only apply to new recruits who can choose to join knowing what they are getting”.
- 7.1.176 Some respondents addressed the issue of the pay gap between constables and sergeants. One respondent argued for an “increase [in] the financial step up from [constable to sergeant] to reflect the additional responsibility the rank [involves]”. Another said that “[t]he very fact that a [constable] on top scale receives more than a first year [sergeant] is just plain wrong. The [constable] is getting paid more with none of the responsibility of being a [sergeant]”.

## **Conclusion**

- 7.1.177 Basic pay for the Federated ranks is a critical issue. The Federated ranks make up a very significant majority of the police officer work force, and their pay accounts for approximately 98% of the police officer salary bill. The Federated ranks are of course central to the success of policing in England and Wales. The history of police pay shows that when basic pay is set at the wrong level, it can cause recruitment and retention difficulties which damage the service provided to the public, as well as the morale of police officers.
- 7.1.178 This section addresses some of the most important questions covered by this review. Are the pay scales for the Federated ranks set at the correct level, with the right minimum and maximum salaries, and the correct length of pay scale? I recommend elsewhere in this report that pay progression should be on the basis of contribution, and this section sets out how that relates to the pay scales of the Federated ranks. Is the London lead for the inspecting ranks in London sustainable in the medium- and long-terms? Finally, is the relationship between the pay scales of each of the Federated ranks correct? Should they overlap, be butt-ended, or have significant gaps between them?
- 7.1.179 In considering these issues, I have been mindful of the principles I set out in Part 1, and Professor Richard Disney’s findings, included in Appendix 3 of this report.
- 7.1.180 First, fairness is an essential part of any new system of pay and conditions. That means fairness to the public, to police officers and police staff, and to the police service. Secondly, people should be paid for what they do, the skills they have and are applying in their work, and the weights of the jobs they do.
- 7.1.181 Professor Disney found that constables’ and sergeants’ pay rates are generally 10-15% above those of comparators in other emergency services and the armed forces. Male officers at constable and sergeant ranks are at around the 75<sup>th</sup> percentile of the earnings distribution,

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<sup>139</sup> Basic pay seminar (2011), page 44

whilst female officers at these ranks are at around the 80<sup>th</sup> percentile. Those at the ranks of inspector and above are in the top 10% of the earnings distribution. This means that the earnings of police officers are comparable with those of many white collar, professional, occupations.

- 7.1.182 International comparisons, which Professor Disney warns should be treated with caution, show that police officers in Northern Europe (Germany, Denmark and Sweden) are on average paid at a lower level in the earnings distribution than are police officers in England and Wales. Police officers in Commonwealth countries (Australia, Canada and New Zealand) are paid on average at a similar point in the earnings distribution than are police officers in England and Wales.
- 7.1.183 My overall views on basic pay for the Federated ranks are summarised below, and the rationale for each is set out later in this Chapter:
- the constables' pay scale should be made shorter, so as better to reflect the length of time over which increases in experience lead to improvements in competence;
  - the constables' pay scale should start at a lower rate than present, but officers should move more quickly to the maximum;
  - pay progression in all ranks should be on the basis of satisfactory contribution and the demonstration of the acquisition of the necessary skills, knowledge and experience;
  - the pay of sergeants, inspectors and chief inspectors is at the correct levels and should be maintained at those levels;
  - the London lead for the inspecting ranks in London should be maintained in the short-term until the police pay review body is able to consider the issue on the basis of more reliable evidence than was available to this review; and
  - there should be gaps between the pay scales of each of the Federated ranks to reflect the increased responsibilities undertaken at each successively higher rank.

#### *Length of the constables' pay scale*

- 7.1.184 The constables' pay scale has been a long one since the 19<sup>th</sup> century. Previous pay reviews have made it somewhat shorter or longer to deal with the particular issues of the day, but it has always taken constables an appreciable number of years to reach the maximum for their rank. The primary reason for this has been the objective of motivating long-serving constables who do not seek promotion.
- 7.1.185 This is not a sound basis for determining the pay scale for constables. Constables should be able to earn increases in pay through increases in their contributions to the service as their skills and experience grow. The pay scale should be no longer than is necessary to achieve this. The Police Federation submitted evidence, based on relatively recent research by the Hay Group, suggesting that it takes six to eight years for a constable to achieve the competencies required fully to meet the demands of the job. The Police Superintendents' Association thinks that it takes about six years. I am minded to agree with the evidence submitted by the Police Federation. I have found no evidence to indicate that constables are significantly more competent after ten years than they are after six years. Indeed, the consensus from the consultation was that it should take no more than five to seven years for a constable to be fully competent at that rank. The police constable is unusual in the breadth of roles and activities he is required to undertake. This means that a single figure for the time over which increases in experience result in increased competence cannot be absolutely determined; it will vary from individual to individual, and will vary according to the roles into which the officer is deployed. On balance, on the evidence and representations I have received in the course of the review, in my judgment six years is the appropriate period.
- 7.1.186 The length of the current constables' pay scale creates the risk of unequal pay which could result in female officers earning less than male officers despite doing the job with equal competence. This is because, as explained above, the current pay scale is longer than necessary.

It offers pay increments beyond the point at which increased experience results in greater competence. Because some female officers take career breaks to have and look after children, they tend to be disproportionately represented at the lower end of the pay scale, whilst male officers are disproportionately represented at the top of the pay scale. A shorter pay scale that accurately reflects the time over which increased experience produces increased competence reduces the risk of successful unequal pay claims and the injustice on which such claims would be based.

- 7.1.187 I therefore recommend that the constables' pay scale be shortened. This will allow a constable to progress in four years through those increments that are dependent upon making a satisfactory contribution (as measured in his annual appraisal), with two increments based on an assessment of his skills, knowledge and experience. The Foundation and Specialist Skills Threshold tests are described in more detail later in this Chapter and in Chapter 9.1. Reducing the length of the pay scale whilst retaining the current minimum and maximum salaries would significantly increase the cost to the police service at a time when budgets are being reduced. Therefore, this recommendation must be considered alongside a new approach to salary levels.

### *Constables' basic pay*

- 7.1.188 This review has taken place in circumstances which are quite different from those prevailing at the time of Desborough, Oaksey, the Royal Commission and Edmund-Davies. Those reviews made recommendations at times of severe difficulties in police officer recruitment and retention. Today, forces have no difficulty recruiting or retaining officers. The average wastage rate for police forces in England and Wales in 2009/10 was just 4.7% of the forces' strength. This contrasts with a normal private sector average of around 13%. Applications to join the police can risk overwhelming forces, and forces have sometimes had to resort to arbitrary and crude means of coping or restricting the applications they consider. Police pay is comparatively high. As shown by Professor Disney, constables and sergeants are paid at about the same level as those in many white collar professional occupations. Police officers are not required to hold qualifications of any sort, whereas accountants, surveyors and engineers must undergo several years of professional training before they are able to start earning at the levels of police constables.
- 7.1.189 My terms of reference require me to make recommendations that are fair to the taxpayer as well as to police officers and staff.
- 7.1.190 The evidence from Professor Disney shows that police constables are, in many parts of the country, paid more than is necessary to attract and retain officers of the right calibre. The fact that police forces have such a large number of applications for each vacancy, and have such unusually low levels of wastage, show that pay rates are very attractive. Indeed, it can be inferred from his analysis that the salary of police constables could be reduced without any detrimental effect on the quality of recruits. The fact that constables and sergeants are paid at about the same rate as other occupations that require high level entry qualifications, and about 10-15% more than the other emergency services and the armed forces, indicates that they are more than adequately paid.
- 7.1.191 Fairness to the taxpayer, particularly at a time of considerable national economic pressure, demands that the cost of employing a constable is restrained. Keeping down the cost of employing a constable is good for police officers and the police service too. Whilst pay restraint means that officers may not earn as much as they would otherwise have done, it enables police forces to afford to employ more officers than they would otherwise have done. That means pay restraint lessens the need for job cuts. That is good for police officers, the police service and the public.
- 7.1.192 Restraining the cost of employing a constable could, broadly, be done in four ways: by reducing the minimum pay on the pay scale; reducing the maximum pay on the pay scale; reducing the rate of pay progression up the scale; or by reducing the number of individuals who progress up the pay scale.

- 7.1.193 The lack of recruitment and retention issues at present suggests that there is scope to reduce constables' pay at either the top (which is more important for retention) or the bottom (which is more important for recruitment) of the pay scale. My approach to the rate of progression, or the number of individuals who progress up the scale, must be consistent with my recommendations on contribution-related pay progression, detailed in Chapter 8.
- 7.1.194 However, now is not the time to reduce the maximum rate of constables' basic pay. There will be many factors influencing public sector earnings in the foreseeable future, including changes to pension contributions, the public sector pay freeze until 2012, and a further two-year cap limiting pay uprating to a maximum of one *per cent*. Reducing the maximum of the constables' pay scale at the same time would risk de-motivating officers, and subjecting them to undue additional financial pressure. In Chapter 10.1, I recommend the creation of a police pay review body. It should not be forgotten by that pay review body that police constables' pay at the maximum is more than adequate, and is hard to justify in those areas of the United Kingdom with less competitive labour markets.
- 7.1.195 I recommend that the maximum basic pay for constables remains at £36,519. This level of pay can be justified if the officer in question has at least six years' experience and has also acquired and is using accredited policing skills. Chapter 9.1 gives a full account of the Part 2 recommendations on skill-based pay. In summary, it says that as policing becomes increasingly professionalised, police officers should be required to obtain accredited skills relevant to their roles in order to reach the pay maximum. A robust test of officers' skills, knowledge and experience should be introduced into the basic pay scale for officers to implement this requirement.
- 7.1.196 Implementation of this recommendation, and the shortening of the constables' pay scale, would add additional cost to the police salary bill. Constables would move more quickly to the maximum than they do today, and would therefore be paid at the maximum for a greater proportion of their careers.
- 7.1.197 I have already explained why the pay of constables, in many cases, is higher than it needs to be. There are strong grounds for reducing the starting salary for new constables. In particular, the fact that such high levels of applications are received by forces for each vacancy indicates that the pay incentive could be reduced and a large number of suitably qualified candidates could still be expected to apply. High levels of application are not only a function of the national economic difficulties and state of the labour market. They also reflect the intrinsic attractions of a career in policing. The taxpayer should not be paying more than is necessary to attract candidates of suitable quality into the police service.
- 7.1.198 Given that, for entry, there is no requirement for a professional or academic qualification, the police service offers a high starting salary in comparison with other public sector employers. Table 7.11 below shows the starting salary and academic requirements for comparable public sector occupations.

<b>Table 7.11: Starting salary and entry requirements in comparable public sector occupations</b>		
<b>Occupation</b>	<b>Academic entry requirement</b>	<b>Starting salary (£)</b>
Armed forces – officer cadet	None	£15,823
Armed forces – graduate officer cadet	Bachelor’s degree	£24,615
Firefighter	None	£21,157
Nurse	Diploma in Higher Education – to become a bachelor’s degree in 2013	£21,176
Paramedic	Foundation degree	£21,176
Prison officer	None	£14,940
Teacher	Bachelor’s degree	£21,588
Police officer – constable (under current arrangements)	None	£23,259

- 7.1.199 As can be seen in Table 7.11, if the annual starting salary for an unqualified recruit to the police service were to be revised to £19,000, that pay would be still higher than the starting salary for officer cadets in the army and prison officers, both of which occupations, like police officers, do not have any academic or professional qualification entry requirements. A starting salary of £19,000 would be lower than that of graduate officer cadets in the army, firefighters, nurses, paramedics, and teachers. New recruits to all of these roles, bar firefighters, are required to hold academic qualifications whereas there is no academic entry requirement for police officers. The entry qualifications required for nurses, teachers, and graduate officer cadets are of a significantly higher level than those recommended in Chapter 3.1 for police officers. Firefighters, like police officers, are not required to hold any professional or academic qualifications and would have a higher starting salary. However, constables will earn over £8,000 more than a firefighter once both are on their pay *maxima*.
- 7.1.200 A decision to allow constables to move more quickly to the pay scale current maximum would increase the cost of the constables’ wage bill. If the minimum pay for constables were reduced, the cost of allowing them to move more quickly to the maximum would be offset. Wage bill savings made at the beginning of the constable’s career would fund the additional cost of paying him the maximum salary earlier than he would receive it under current arrangements.

### *Constables’ skills*

- 7.1.201 ACPO has made the case for police pay being reformed to reflect the acquisition of skills. I agree that the pay structure should reward an individual who acquires and uses new skills that allow him to make a greater contribution to the service. Pay progression which is linked to competent performance and continuous professional development will help to end the culture of entitlement whereby officers are paid more for simply having served another year. Paying more for professional skills which are used is fully justifiable. The taxpayers and the public obtain higher value for their money through higher professional competence in policing. The current maximum rate of pay should only be available to those officers who possess the skills, knowledge and experience that make them fully competent. There should be a foundation skills test, which will establish whether constables have mastered the basic skills of policing, mid-way through the pay scale. Only after passing that test should they be able to progress further on the scale. After a constable reaches pay point six, he should be entitled to progress further if he can demonstrate more advanced, role-specific skills, the possession and use of which will

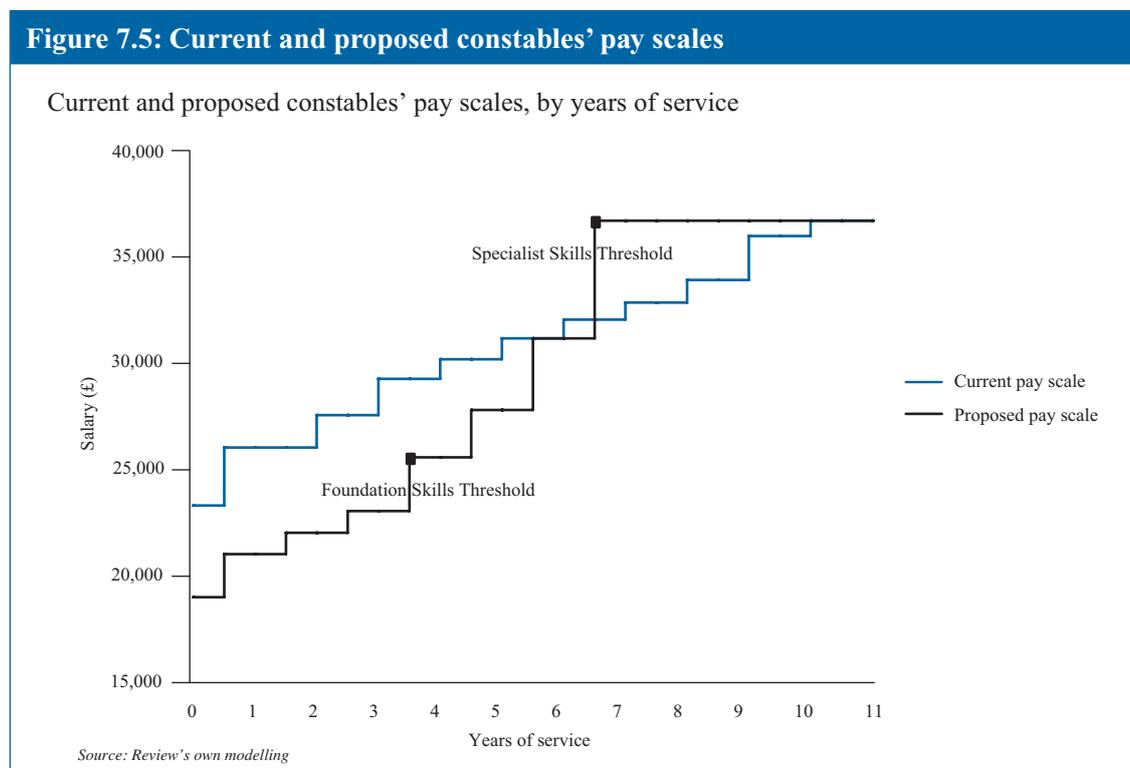
attract commensurately additional amounts of pay. Further detail of, and the reasons for, this proposed skills-based progression are given in Chapter 9.1.

- 7.1.202 I recommend the current constables' pay scale is replaced with the revised pay scale set out in Table 7.12.

Table 7.12: Recommended constable pay scale	
Pay point	Constable salary
0 (a)	£19,000
1 (b)	£21,000
2	£22,000
3	£23,000
4 (Foundation Skills Threshold)	£25,500
5	£27,700
6	£31,032
7 (Specialist Skills Threshold)	£36,519

(a) On commencing service if the recruit has no policing qualification  
 (b) On commencing service if the recruit has a new certified policing qualification, or previous experience as a special constable or PCSO; or on completion of basic training for those who entered on pay point 0.

- 7.1.203 The rate of progression on the recommended pay scale, compared with the current pay scale, is shown in Figure 7.5.



- 7.1.204 The recommended pay scale has two points of entry. Those who have obtained a new accredited policing qualification (as recommended in Chapter 3.1), or who have completed their basic training through service as a special constable or PCSO, should enter at pay point 1. Those who have neither a policing qualification nor experience as a special constable or PCSO should enter at pay point 0. Once they have completed basic training, which typically takes

about six months, they should move to pay point 1. Thus, pay progression between pay points 0 and 1 would be based on the acquisition of skills through the completion of basic training. The difference in starting salaries also recognises that the police force saves money by recruiting individuals who have already undertaken pre-entry qualifications in some elements of the basic training. This should encourage more candidates to gain relevant policing skills and experience in their own time and at their own cost, before joining the police service. This approach is consistent with the objective of encouraging the professionalisation of policing.

- 7.1.205 Progression between each of pay points 1 to 3 should be on the basis of one year's service and a satisfactory box marking in the end-of-year appraisal. That appraisal should be designed to measure the individual's contribution, and should take account of performance, personal qualities, attendance, fitness, and professional development. Further detail on my recommendations about appraisal and the need for significant improvement in the system and the ways in which it is operated are in Chapter 8. Pay progression in this early period of the constable's career should be on the basis that the individual's increasing experience leads to greater competence. The appraisal system should ensure that only those who demonstrate that they are increasing in competence will receive a pay increase. Those who are not should be held back.
- 7.1.206 As stated earlier in this Chapter, progression from pay point 3 to pay point 4 should be dependent upon the officer passing the Foundation Skills Threshold test. This should be designed to ensure that officers have the professional skills (including legal knowledge) which can reasonably be expected of an officer at this point in his development. Further details on the Foundation Skills Threshold are in Chapter 9.1.
- 7.1.207 After the Foundation Skills Threshold, progression to each of pay points 5 and 6 should be on the basis of one year's service and a satisfactory box marking in the end-of-year appraisal. That appraisal should be designed to measure the individual's contribution, and should take account of performance, personal qualities, attendance, fitness and professional development commensurate with his level of seniority. This is because more can be expected of the more senior constable at this later stage of his professional experience. During this period, officers should be developing the role-specific skills that will be tested at the end of this further two-year period, that is when they reach the Specialist Skills Threshold.
- 7.1.208 A new recruit should be able to reach pay point 6, earning £31,032, after a minimum of five years' service from the point at which he completes his basic training, provided he makes at least a satisfactory contribution each year and passes the foundation skills test. This length of time (although not this level of pay) was recommended by the Police Federation, the Police Superintendents' Association, ACPO and several police forces. The new pay scale therefore better reflects the time it takes to acquire appropriate degrees of competence through experience.
- 7.1.209 The top pay point on the scale should only be available to those individuals who pass the Specialist Skills Threshold test. This test should measure the constable's skills, knowledge and experience against more stringent criteria which reflect the six years of his service. Successful completion of the Specialist Skills Threshold test should lead to an accredited policing qualification, as explained in Chapter 9, as well as further progression up the pay scale. There should be no limit to the number of times a constable is permitted to sit the Specialist Skills Threshold test. As detailed in Chapter 9, the test should be rigorous and some applicants may fail it. Because passing the test makes a material difference to a constable's earnings, it would be unfair to place an arbitrary limit on the number of attempts a constable may make at passing it.
- 7.1.210 Only those roles that require the skills, or knowledge and experience, or warranted powers of a constable should qualify for the Specialist Skills Threshold increment. Those roles that do not require the skills, or knowledge and experience, or warranted powers of a constable will therefore have a maximum of pay point 6 (£31,032). It should be for the new Police Professional Body, which is scheduled to be established by the end of 2012, over time to assess which roles should qualify for the Specialist Skills Threshold, and the criteria and procedures

according to which any changes to those qualifying roles should be made. Its recommendations in relation to changes in qualifying roles should be referred to the police pay review body for decision. My recommendation in relation to the roles which should initially qualify is in Chapter 9.1 of this report.

- 7.1.211 The new pay scale should, over time, also apply to existing officers. I recommend that changes are made to the pay scale for serving constables so that they can advance to the maximum more quickly than they are presently able to do. Their progression should be based on making at least a satisfactory contribution, as measured in their annual appraisals. The pay scale should be shortened by three pay points, to ensure that it accurately reflects the time it takes a constable to improve his competence through experience.
- 7.1.212 New recruits should start on the new pay scale from 1 April 2013. Constables who start their service in force before 1 April 2013 should be engaged on the current pay scale.
- 7.1.213 Pay points 6, 7, and 9 of the current pay scale should be removed in April 2014, 2015, and 2016 respectively for officers below these points. The removal of pay points should be phased in over three years to ensure that the changes are affordable. This will mean that by the end of 2016 both the existing pay scale and the new pay scale that I recommend will have the same number of pay points and the same maximum salary.
- 7.1.214 Table 7.13 shows the pay points to which constables should move when they are next due to advance one increment up the pay scale, from April 2014 onwards, as pay points 6, 7 and 9 are removed. Officers who are on the pay point at the time at which it is removed should remain on that pay point until they are due to progress, in the normal way, up to the next pay point. For example, an officer who is on pay point 7 on 1 April 2014 should remain on pay point 7 until he has spent a year at that pay point and has received at least a satisfactory box marking in his annual appraisal, at which point he should progress to pay point 8. An officer who has spent a year on pay point 6 and who has achieved a satisfactory box marking in his annual appraisal should, as of 1 April 2014, also move to pay point 8.

**Table 7.13: Effect on pay progression of removing pay points 6, 7 and 9**

Pay progression as of 1 April 2014 (pay point 6 removed)		Pay progression as of 1 April 2015 (pay point 7 removed)		Pay progression as of 1 April 2016 (pay point 9 removed)	
From pay point	To pay point	From pay point	To pay point	From pay point	To pay point
0	1	0	1	0	1
1	2	1	2	1	2
2	3	2	3	2	3
3	4	3	4	3	4
4	5	4	5	4	5
5	7	5	8	5	8
6	7	6	8	6	8
7	8	7	8	7	8
8	9	8	9	8	10
9	10	9	10	9	10

- 7.1.215 Constables who are already on the pay maximum, in a role that attracts the Specialist Skills Threshold increment, by the time the test is introduced should not be required to sit the test. Their pay will be unaffected. When they are promoted or move to a new role at the same rank

they should have to take the test at the appropriate time. For transfers at the same rank, they will have their pay protected for one year, to give them time to learn the specialised skills required in the new role. Constables who are already on the pay maximum, in a role that does not attract the Specialist Skills Threshold increment, at the time the test is introduced should have their pay protected for three years. This will give them ample time to move to a new role that does attract the Specialist Skills Threshold increment and thus maintain their current level of pay. At the end of the three year period, their pay will be reduced to pay point 6 – the maximum available in a role that does not attract the Specialist Skills increment. If they move to a new role that attracts the Specialist Skills increment, their pay will be protected for one year, to give them time to learn the specialised skills required in the new role.

- 7.1.216 The new Police Professional Body should be required to create the Foundation Skills Threshold test by 2015 and the Specialist Skills Threshold test by 2018 at the latest. This is necessary because new recruits starting in April 2013 will have reached pay points 3 and 6 in those years, and the tests need to be ready for then. If the Police Professional Body is able to develop the curricula and tests more quickly, they should be introduced at the first available opportunity. I recommend that the Specialist Skills Threshold should aim to be introduced from April 2016 for this reason. It is desirable for officers to move between roles in order to broaden and deepen their skills and experience, as well as to keep them motivated over the course of a long career. Constables cannot be expected to acquire all the skills necessary before starting a new role. They should be given time to acquire the necessary skills and then have the opportunity to take the threshold test for the new role. For this reason, I recommend that constables' pay is protected for one year when they move between different roles, having already achieved the Specialist Skills Threshold in their immediately preceding post. If they are moving from a post which did not qualify for the Specialist Skills Threshold, they should be able to take the test as soon as they wish to do so. Further detail on this issue can be found in Chapter 9.1.
- 7.1.217 Until the Police Professional Body establishes the curricula and tests required for the Specialist Skills Threshold, progression through all the pay points should be on the basis of one year's service and at least a satisfactory box-marking in a constable's annual appraisal that measures their contribution to the service, as described in Chapter 8.
- 7.1.218 As stated and explained in greater detail in Chapter 9, I recommend that the Expertise and Professional Accreditation Allowance should be withdrawn once the Specialist Skills Threshold tests are in place. The Specialist Skills Threshold increments should replace the EPAA as the mechanism through which skills are recognised in the police pay system in the medium term.
- 7.1.219 These recommendations entail some increase in paperwork and administration. The Foundation and Specialist Skills Threshold tests, the assessment of candidates, and the award of accredited qualifications are all processes that do not presently exist in policing. These processes need not be onerous for forces or officers, and should be designed by the Police Professional Body with the minimisation of bureaucracy in mind. In any case, a small increase in bureaucracy is strongly justified by the benefits this policy would bring.

### *Costs*

- 7.1.220 If implemented, these recommendations would be broadly cost-neutral in the short-term. The money saved by paying constables less at the starts of their careers would at least cover the increased cost of allowing them to move more quickly to the maximum on the pay scale. This recommendation has been financially modelled on the following pessimistic assumptions, and should therefore represent an underestimate of savings.
- 7.1.221 The modelling assumptions are:
- all new recruits start on pay point 1, with none on pay point 0;
  - all constables are employed in roles that have access to the Specialist Skills Threshold increment; and
  - all constables successfully pass the Specialist Skills Threshold test at the first attempt.

7.1.222 Whilst it is not the intention of this recommendation to save money by holding back the pay progression of constables by introducing a pass-fail Specialist Skills Threshold test, it is the case that some constables may not be in roles which qualify for the test, some will not attempt it, and some will fail. In these cases, there will be savings in addition to those outlined in Tables 7.14 and 7.15. The net change in financial resources in these Tables also takes account of the cost of removing pay points 6, 7 and 9 for existing constables. It is for the Police Professional Body to decide which constable roles should qualify for the Specialist Skills Threshold increment. It is likely that some constable roles will not qualify for the Specialist Skills Threshold increment.

**Table 7.14: In year net change in £ millions, 2013 – 2018**

Year	Net change (£ + / -)
2013/14	- £4 million
2014/15	- £9 million
2015/16	- £13 million
2016/17	+ £11 million
2017/18	- £5 million

*Source: Review's own modelling*

**Table 7.15: Cumulative net change in £ millions**

Period	Cumulative saving (£)
Up to 2017/18	- £20 million
Up to 2022/23	- £385 million

*Source: Review's own modelling*

7.1.223 Throughout Part 2, I have been mindful of the need to protect the short-term savings of Part 1. Police forces need those savings to be able to operate within their reduced budgets, and so it is important that this recommendation is either broadly cost-neutral or produce some small savings. The adjustments to the constables' pay scale are not primarily designed to reduce expenditure on police pay further. Rather their objective is to create a shorter, fairer pay scale, and one which rewards the acquisition and use of skills and increases in competence through experience. Therefore, I recommend that any savings which come from the implementation of this recommendation are recycled into future pay or training costs.

### *Equality issues*

7.1.224 Any significant changes to the basic pay structure must be considered in the light of the protective provisions of the Equality Act 2010. The objectives of these recommendations on constables' basic pay are:

- to connect the length of the pay scale more closely to the length of time over which increasing experience translates into increased effectiveness;
- to ensure that the pay structure is fair to all officers, particularly those with protected characteristics under the Equality Act 2010;
- to end the culture of entitlement under which constables are given a pay increase every year for the first ten years of their service, regardless of the level of their contribution to the police service;

- to ensure fairness to the taxpayer; the constable pay bill must remain affordable over the long term, and the taxpayer should pay no more than is necessary to recruit and retain individuals of the right calibre for the police service; and
- to ensure that police pay is sufficiently flexible to take account of local labour market conditions.

7.1.225 My recommendations on basic pay for constables will have different effects on different groups of officers. Below are my forecasts of the effects of the new pay scale for new entrants.

7.1.226 The new pay scale will result in a constable earning either £6,157 or £14,910 less over eleven years than he would have done under the current payscale, depending upon whether or not he joined with a policing qualification, and assuming he takes and passes the Foundation and Specialist Skills Threshold tests at the first attempt. The Tables below show how much a constable could expect to earn in his first 11 years of service in three situations: (a) the current pay scale; (b) the recommended pay scale, for entrants with no policing qualification; and (c) the recommended pay scale, for entrants holding a policing qualification.

**Table 7.16: First 11 years' earnings on the current constable pay scale**

Pay point	Salary (£)	Duration	Earnings (£)
On commencing service	£23,259	6 months	£11,630
On completion of basic training	£25,962	18 months	£38,943
2	£27,471	1 year	£27,471
3	£29,148	1 year	£29,148
4	£30,066	1 year	£30,066
5	£31,032	1 year	£31,032
6	£31,917	1 year	£31,917
7	£32,703	1 year	£32,703
8	£33,753	1 year	£33,753
9	£35,796	1 year	£35,796
10	£36,519	1 year	£36,519
<b>Total</b>			<b>£338,978</b>

**Table 7.17: First 11 years' earnings on the recommended constable pay scale for entrants without a policing qualification**

Pay point	Salary (£)	Duration	Earnings (£)
0	£19,000	6 months	£9,500
1	£21,000	1 year	£21,000
2	£22,000	1 year	£22,000
3	£23,000	1 year	£23,000
4 (Foundation Skills Threshold)	£25,500	1 year	£25,500
5	£27,700	1 year	£27,700
6	£31,032	1 year	£31,032
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	6 months	£18,260
<b>Total</b>			<b>£324,068</b>

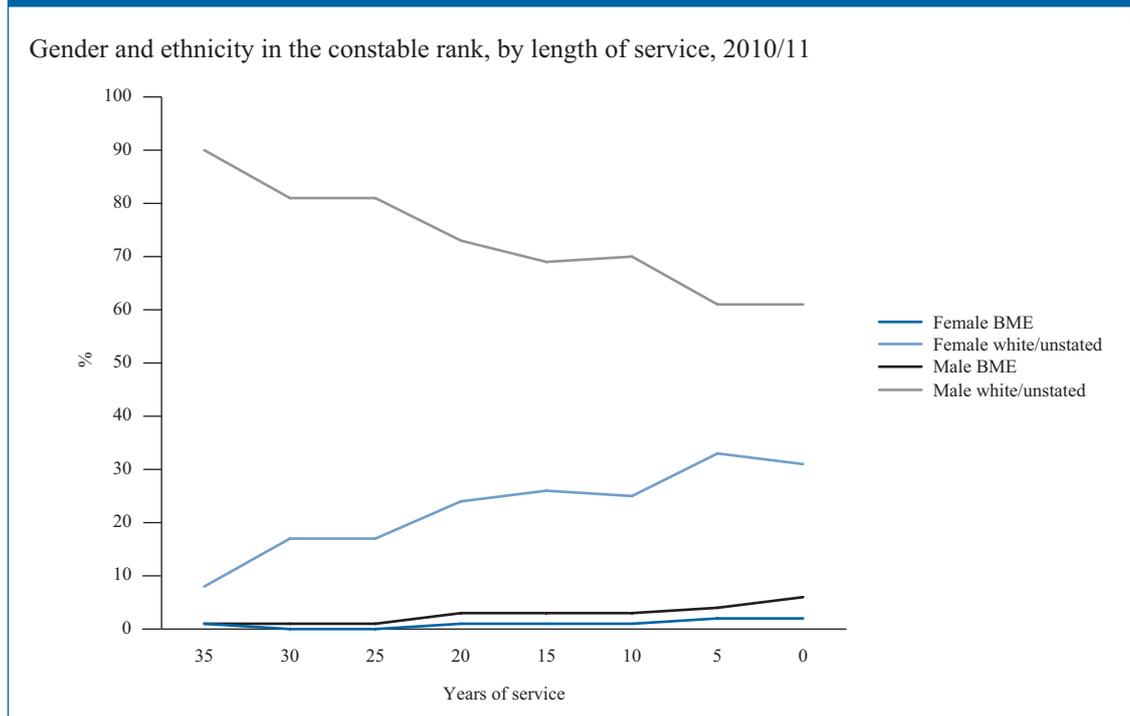
**Table 7.18: First 11 years' earnings on the recommended constable pay scale for entrants holding a policing qualification**

Pay point	Salary (£)	Duration	Earnings (£)
1	£21,000	1 year	£21,000
2	£22,000	1 year	£22,000
3	£23,000	1 year	£23,000
4 (Foundation Skills Threshold)	£25,500	1 year	£25,500
5	£27,700	1 year	£27,700
6	£31,032	1 year	£31,032
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
7 (Specialist Skills Threshold)	£36,519	1 year	£36,519
<b>Total</b>			<b>£332,827</b>

**Table 7.19: Effect of recommended pay scale on constables' first 11 years' earnings**

Pay scale	Total earnings after 11 years (£)	Difference from status quo (£)
Current	£338,978	£0
Recommended – entrant starts at £19,000	£324,068	-£14,910
Recommended – entrant starts at £21,000	£332,827	-£6,151

- 7.1.227 A constable entering the recommended pay scale without a policing qualification would reach the maximum after six and a half years. This is some three and a half years more quickly than at present. However, he would earn less in every year of employment than his comparator on the current pay scale until he reaches the maximum. Over the course of 11 years' earnings, this represents a pay difference of 4.4%. Over the course of a 30-year career, it is a difference of just 1.4%.
- 7.1.228 A constable entering the recommended pay scale already in possession of a policing qualification will reach the maximum in six years. That is four years earlier than his comparator on the current pay scale. Whilst he earns less in the first five years, he very nearly makes up all of that difference by reaching the maximum more quickly. The pay difference over 11 years of earnings is just 1.8%. Over the course of a 30-year career, it is a difference of just 0.6%.
- 7.1.229 Having quantified the effect of the recommended pay scale, it is important to understand who will be affected by it most, and whether any groups with protected characteristics under the Equality Act 2010 will be disproportionately affected.
- 7.1.230 There will be no direct discrimination as a result of the recommended pay scale. However, changes in the gender and ethnicity mix of future recruits could result in a disproportionate impact if this resulted in disproportionately large numbers of female and ethnic minority constables being on the recommended pay scale, whilst a disproportionately large number of white male constables remained on the present pay scale.
- 7.1.231 This review has modelled the future police officer workforce in order to estimate the effect of its recommendations. It has assumed that rates of recruitment of women and ethnic minority candidates will stay at approximately the levels established in the last five years. Historically, the police force has consisted of a very significant majority of white male recruits. Whilst this continues to be the case, the proportion of recruits who are female, or who are from an ethnic minority background, has increased significantly in recent years. Figure 7.6 shows the gender and ethnicity of officers at the rank of constable, by length of service. It is evident that the group of the longest serving officers, who were first recruited some 35 years ago, is very much more predominantly white and male than more recent groups.
- 7.1.232 It is reasonable to assume that this level of success in diversifying the police service so that it reflects more closely the communities it polices will at least be maintained. Since the review is unaware of anything to suggest that the level of female and BME recruits will increase markedly in the future, the most appropriate assumption is a maintenance of the *status quo*.
- 7.1.233 Assuming that the recommended pay scale was in place for those new recruits who started in the 2014/15 financial year, the estimated gender and ethnicity make up of that group of officers is set out in Table 7.20.

**Figure 7.6: Gender and ethnicity in the constable rank, by length of service****Table 7.20: Estimated gender and ethnicity of new recruits in 2014/15**

Protected characteristic group	% of total recruits
Female BME	2%
Female white	31%
Male BME	6%
Male white	60%

7.1.234 Different comparator groups could be chosen. The most appropriate are: (a) recruits in the last ten years; or (b) all serving constables at the time the recommended pay scale is introduced. Group (a) is arguably a better comparison, as constables in that group will be most similar in age to the new recruits, and will be more reflective of recent trends. Group (b) has the benefit of being all-encompassing. The gender and ethnicity mixes of the two comparator groups are set out in Table 7.21, in comparison with the gender and ethnicity mixes of the 2014/15 recruits:

**Table 7.21: Comparison: ethnicity and gender of new constable recruits, constable recruits 2004/5 – 2014/15, and all serving constables in 2014/15**

Protected characteristic group	2014/15 new recruits	2000/01 – 2010/11 recruits	All serving constables in 2014/15
Female BME	2%	2%	2%
Female white	31%	31%	29%
Male BME	6%	5%	4%
Male white	60%	63%	65%

- 7.1.235 These data show that there would be no disproportionate adverse effect on female BME constables, whichever comparator group is used – they are likely to make up the same proportion of new recruits in 2014/15 as they do of the whole constable workforce.
- 7.1.236 These data show that there may be small disproportionate adverse effects on female white constables, as they will make up a slightly larger proportion of the 2014/15 recruits than they do of the total constable workforce (31% as opposed to 29%). However, the difference is a small one, at just two percentage points. If the more recent comparator group is used, there is no disproportionate adverse effect.
- 7.1.237 Male BME candidates may suffer a small disproportionate adverse effect, with a difference of two percentage points between the proportion of male BME new recruits in 2014/15 and the proportion of male BME officers in the total constable workforce in 2014/15; and a difference of one percentage point between the proportion of male BME new recruits in 2014/15 and the proportion of male BME recruits in the comparator groups of recruits from 2000/01 to 2010/11.
- 7.1.238 Male white recruits will not suffer a disproportionate adverse effect, since they are likely to constitute a smaller proportion of total recruits in 2014/15 than they did in either of the comparator groups.
- 7.1.239 These conclusions are based on the assumptions that underpin the review’s modelling. If the review has underestimated the increase in the proportion of female and BME recruits in the future, the disproportionate adverse effects for these groups will be greater than estimated here. If the review has overestimated the increase in the proportion of female and BME recruits, or indeed if the proportions fall, the disproportionate adverse effects for these groups will be less than estimated in this Chapter.
- 7.1.240 The evidence indicates that the recommended constable pay scale may cause a small adverse effect on white female recruits and BME male recruits. The pay differential and the level of disparity are both relatively low. This adverse effect can be justified, as this recommendation is a proportionate means of achieving the legitimate aims specified earlier in this Chapter.
- 7.1.241 In general, females tend to have shorter careers than males because many leave the workforce, permanently or temporarily, to have children. There is a risk that female police officers would suffer a disproportionate adverse effect from the proposal to lower pay at the start of a police officer’s career if they have shorter careers than male officers. This is because they would not be able to benefit from reaching the pay maximum more quickly than is possible under the current pay arrangements, as they would no longer be in employment.
- 7.1.242 In order to understand the scale of this risk, the review examined unpublished Home Office data that show the proportions of males and females in the workforce over time. The data indicate that there is no material difference in the length of career between male and female police officers. This was true irrespective of the date at which the officer joined the police service. These data indicate that there will be no disproportionate adverse effect on female police officers due to the lower pay at the start of the career under the proposed pay scale, because male and female officers have careers of the same length in the police service.
- 7.1.243 Another element of this recommendation that could potentially have an adverse impact on groups with protected characteristics is the proposal to allow those who have already acquired an accredited policing qualification, or those with experience as a PCSO or special constable, to start on pay point 1 (£21,000). Those without the qualification or experience as a PCSO or special constable start on pay point 0 (£19,000). Starting on pay point 1 gives the individual an immediate pay advantage of £2,000. It is estimated that most recruits who start on pay point 0 will take about 6 months to complete their basic training, at which point they will move up to pay point 1. These recruits will therefore always be approximately six months behind their comparators who started on pay point 1. Both groups of recruits follow the same path up to pay point 6, and both can take the Specialist Skills Threshold test (if their roles qualify). Table 7.22 shows the difference in total earnings over the first five years of service (the time it will take a recruit who starts on pay point 1 to reach pay point 6) between those who start on £19,000 and those who start on £21,000.

**Table 7.22: Difference in earnings over first 5 years of service between recruits who start on pay point 0 and pay point 1**

Recruit	Earnings in first five years of service (£)
Starters on pay point 0	£114,850
Starters on pay point 1	£119,200
Difference in earnings	£4,350

- 7.1.244 Those who start on pay point 1 have an earnings advantage of £4,350 over the course of five years. This equates to about 4% of cumulative pay for a starter on pay point 0. It is important to understand which, if any, groups with protected characteristics would sustain a disadvantage from this policy.
- 7.1.245 It is not possible to forecast with any appreciable degree of accuracy who will choose to obtain the new accredited policing qualification in the future. However, there are published Home Office data which show the gender and BME mix of PCSOs and special constables, which are reproduced in the Tables below. The review's analysis is based on these data.

**Table 7.23: PCSOs gender mix**

	Men – full time	Men – part time	Women – full time	Women – part time
Number of PCSOs	8,764	155	6,287	931
% of total FTE	55%	1%	40%	6%

Source: Home Office Police Service Strength in England and Wales, 31 March 2011

N.B. Total strength is given as full-time equivalents, which have been rounded to the nearest whole number. Because of rounding, there are apparent discrepancies between totals and the sum of the constituent items.

**Table 7.24: BME PCSOs**

	BME male	BME female	BME total
Number of PCSOs	1,193	494	1,686
% of total FTE	8%	3%	11%

Source: Home Office Police Service Strength in England and Wales, 31 March 2011

N.B. Total strength is given as full-time equivalents, which have been rounded to the nearest whole number. Because of rounding, there are apparent discrepancies between totals and the sum of the constituent items.

**Table 7.25: Special constables gender mix**

	Men	Women
Number	12,669	5,752
% of total FTE	69%	31%

Source: Home Office Police Service Strength in England and Wales, 31 March 2011

**Table 7.26: BME special constables**

	BME male	BME female	BME total
Number	1,509	565	2,074
% of total FTE	8%	3%	11%

Source: Home Office Police Service Strength in England and Wales, 31 March 2011

7.1.246 It may fairly be assumed that these trends will continue in the future, and therefore that those entering the recommended pay scale at pay point 1 will be broadly of the same gender and BME make-up as the current groups of PCSOs and special constables. It may also fairly be assumed that those entering at pay point 0 will reflect the gender and BME make-up of all new recruits in 2014/15 (as shown in Table 7.27 below).

<b>Table 7.27: Estimated gender and ethnicity of new recruits in 2014/15</b>	
<b>Protected characteristic group</b>	<b>% of total recruits</b>
Female BME	2%
Female white	31%
Male BME	6%
Male white	60%

- 7.1.247 Female BME recruits make up 3% of both PCSOs and special constables, yet just 2% of the forecast group of all new recruits in 2014/15. Male BME recruits make up 8% of both PCSOs and special constables, but only 6% of all new officer recruits in 2014/15. This indicates that BME recruits will make up a higher proportion of the group that starts on pay point 1 than of the group which starts on pay point 0. Therefore, they will not suffer any disadvantage from this proposal.
- 7.1.248 About 46% of PCSOs are women and about 31% of special constables are women, whilst they are estimated to make up about 33% of all new officer recruits in 2014/15. This indicates that women will make up a higher proportion of the group that starts on pay point 1 than of the group which starts on pay point 0. Like BME recruits, women will not suffer any disadvantage from this proposal.
- 7.1.249 The second element of the recommendations for changes to the basic pay arrangements for constables is the removal of pay points from the existing constable pay scale, to enable serving constables who are not yet at the maximum to move to the maximum more quickly. This recommendation has the same aims as were articulated earlier in this Chapter, including establishing a closer connection of the length of the pay scale to the length of time over which increasing experience translates into increased effectiveness in what is a demanding and varied role, and to make it affordable.
- 7.1.250 The removal of pay points will have the effect of allowing some constables to reach the maximum faster than their comparators would have been able to on an unchanged constable pay scale. The financial benefit to some constables will be considerable, although the size of the benefit varies depending upon where the individual is on the pay scale at the time the changes are introduced. A fuller description of transitional arrangements for serving constables can be found earlier in this Chapter.
- 7.1.251 On the assumption that the pay points are removed according to the timetable set out in my recommendation, the constables that would benefit the most would be those recruited between 2007/8 and 2012/13. Table 7.28 below shows by how much each group would benefit.

**Table 7.28: Effect of the removal of three pay points from the constables' pay scale**

Year of recruitment	Increase in gross pay (£)
2005/6	£723
2006/7	£5,325
2007/8	£9,141
2008/9	£9,141
2009/10	£9,141
2010/11	£9,141
2011/12	£9,141
2012/13	£9,141

7.1.252 Clearly, this recommendation favours some constables more than others, strongly favouring those constables recruited between 2007/08 and 2012/13. The groups who benefit disproportionately from this recommendation are likely to be white female officers and BME male officers. Both of these groups are disproportionately represented in the groups of officers that benefit compared with the comparator group of constables who do not benefit. To illustrate this point, Table 7.29 below shows the gender and ethnicity mix of the groups in question. The comparator group in the bottom row consists of all constables in service in 2014 (when the first pay point is removed) who do not benefit from the changes.

**Table 7.29: Ethnicity and gender mix of groups which benefit from the removal of pay points**

Year of recruitment	Female BME (%)	Female White (%)	Male BME (%)	Male White (%)
2007/8	2	35	5	58
2008/9	2	33	6	59
2009/10	2	31	7	60
2010/11	2	31	6	61
2011/12	3	31	7	59
2012/13	2	31	7	60
Comparator	1	26	3	70

7.1.253 These data indicate that both white and BME females, and BME males, will disproportionately benefit from the removal of pay points. All of these groups are more heavily represented in the groups that benefit than in the comparator groups. The only group that does not benefit is white males, which is disproportionately represented in the comparator group. The scale of the disproportionate adverse effect is not large for any of the groups, with only a few percentage points difference in levels of representation between the comparator group and the groups that benefit.

7.1.254 The removal of the pay points is objectively justified because it is a necessary step to make the constable pay scale a more accurate reflection of the time it takes for experience to improve competence to a sufficiently high level. To recognise that the constable pay scale was too long, and not take action to shorten it for serving officers as well as new recruits, would be unfair to those serving officers.

*The sergeants' pay scale*

- 7.1.255 The sergeants' pay scale consists of five pay points. It is butt-ended with the top of the current constables' pay scale. Little comment was received from consultees specifically on the subject of the sergeants' pay scale. In the consideration of the sergeants' pay scale, the same principles have been applied as for the constables' scale. Fairness to the public, to police officers and police staff, and to the police service is an essential part of any new system of pay and conditions. People should be paid for what they do, the skills they have and are applying in their work, and the weights of the jobs they do.
- 7.1.256 It has already been explained why Professor Disney's work indicates that constables are, in most parts of the country, presently paid more than is necessary, applying the criteria of recruitment and retention of officers of the right calibre. His research also shows that sergeants are paid at a higher rate than their comparators in the emergency services and armed forces (see Table 1 of Appendix 4 of Part 1, and Figures 3a and 3b of Appendix 3 of this report). Further, Professor Disney's updated analysis of ASHE data for Part 2 shows that sergeants' gross median pay is at a similar level to that of 'white collar' professions, whose members have many more formal educational qualifications. There is no evidence of recruitment or retention problems in the sergeant rank. This evidence indicates that sergeants are paid generously.
- 7.1.257 However, I do not recommend reducing sergeants' pay, for two reasons. First, the maximum rate of pay for constables is to remain at £36,519. Since sergeants' pay is butt-ended with the constables' maximum, maintaining the constables' maximum pay means that sergeants' pay cannot be reduced unless it is to be brought below the level of constables' maximum pay. Secondly, it is important that sergeants take on a greater management and leadership role within the police service. My recommendations in Chapter 8 increase the importance of sergeants' judgments about the contributions of the constables they line manage. It is right that their pay is at a level that rewards them for their management and leadership responsibilities.
- 7.1.258 The principle that people should be paid for the skills they have and are applying in their work applies with equal strength to all the Federated ranks. Accredited skills are therefore just as important for sergeants as they are for constables. The sergeants' pay scale should also have a Specialist Skills Threshold. It is fair to the taxpayer that the maximum pay for a sergeant should only be available to those who demonstrate the skills, knowledge and experience acquired over three years of professional development in the rank. The skills tested should of course be different from those tested for constables, and should focus on line management and operational leadership commensurate with the rank of sergeant. Passing the threshold test should result in receipt of an accredited qualification and a pay increment. The new Police Professional Body should draw up a curriculum and test for sergeants in each role or group of similar roles. This issue is discussed in greater detail in Chapter 9.1.
- 7.1.259 Pay progression up to the skills threshold should be on the basis of contribution, measured through the annual appraisal. Only those who receive at least a satisfactory box marking in their annual appraisal should receive a pay increment, to reward the increased competence that comes with greater experience. This issue is discussed in greater detail in Chapter 8.
- 7.1.260 I agree with those consultation respondents, such as the Metropolitan Police Service, that argued that individuals should always receive a pay rise when they are promoted. Indeed, this is already the case. Each rank carries greater responsibilities than the one below. Remuneration should reflect the greater responsibilities and job weight of higher rank. At present, the constable salary scale is butt-ended against the sergeant salary scale. Those constables who have not reached the maximum of the constable pay scale when they are promoted to sergeant currently start on pay point 0 of the sergeants' scale, which gives the same rate of pay as the maximum of the constables' salary scale, at £36,519. It is not right that a constable's basic pay can be the same as a sergeant's. This is because sergeant is the first management rank. Sergeants have line management and leadership responsibilities that constables do not. All sergeants should receive greater basic pay than constables, to reflect the greater weight of the job and encourage sergeants to act as the managers that they are, rather than as senior constables. This issue is discussed further in Chapter 9.2.

7.1.261 I recommend that the pay scale in Table 7.30 is introduced for sergeants from April 2014.

<b>Table 7.30: Recommended sergeant pay scale</b>	
<b>Pay point</b>	<b>Salary (£)</b>
1	£37,767
2	£39,036
3	£39,867
4 (Specialist Skills Threshold)	£41,040

- 7.1.262 All new sergeants should start at pay point 1, regardless of the salary they received at constable rank. This will ensure that all sergeants receive a pay increase of at least 3.4% on promotion. Removing pay point 0 will cost approximately £6 million between the 2014/15 and 2017/18 financial years. If established, the new police pay review body should attempt to increase the size of the gap between the constable maximum and the starting rate for a sergeant in the future when it becomes affordable, to reflect the increase in responsibility that promotion to sergeant entails.
- 7.1.263 Progression in the sergeants' scale from pay points 1 to 2 and from 2 to 3 should be on the basis of satisfactory contribution, as measured through the annual appraisal process, and the acquisition of an additional year's experience in the rank. After two years of service, subject to satisfactory contribution, sergeants will be paid £39,867. After a year at pay point 3, sergeants will be eligible to take the skills threshold test. Those who pass it will receive the final increment to take their pay to £41,040. Individuals should be able to take the test an unlimited number of times, as there should be no arbitrary limit that would prevent an officer demonstrating the skills that would enable him to increase his pay. Further details on these issues can be found in Chapter 9.
- 7.1.264 The new pay scale for sergeants should be introduced in April 2014 or as soon as the progression freeze announced by the Home Secretary comes to an end. The Police Professional Body should introduce the Specialist Skills Threshold arrangements as soon as possible, and by April 2017 at the latest to ensure that it is in place at the time that those who were promoted on to the new sergeants' pay scale in April 2014 are ready to move to pay point 4. It should be introduced before April 2017 if it is ready before then, ideally in April 2016. Once the Specialist Skills Threshold test is in place, all sergeants should be required to pass the test in order to progress beyond pay point 3 of the scale, irrespective of when they joined the service or when they were promoted to sergeant. In the period before the test is introduced, individuals who have spent a year at the penultimate pay point should be able to progress to the maximum on the basis of a satisfactory box marking in their annual appraisal. This will ensure that no officer is held back by a delay in the introduction of the test.
- 7.1.265 The removal of pay point 0 should not affect the pay of any officer currently at sergeant rank. Its effect should be prospective only. Any sergeant on pay point 0 at the time that it is removed should continue on that pay point until he has served a year and received at least a satisfactory box marking in his annual appraisal. At that point, he should advance to pay point 1 in the normal way. Sergeants on any other pay point at the time when pay point 0 is removed will be unaffected and should not see any change to their pay. As the constable and sergeants scales will no longer be butt-ended, constables with ten or more years of service will no longer skip a pay point on promotion to sergeant.
- 7.1.266 A Specialist Skills Threshold test will of course introduce some additional administrative demands on forces and individuals. As with the tests for constables, and for the reasons given above, the Police Professional Body should aim to ensure that the amount of additional administration is kept to the irreducible minimum.

- 7.1.267 My recommendations on the sergeants' pay scale are unlikely to have any significant equality implications. The pay scale is already short and will be made shorter. Time-based progression will be replaced with contribution-related pay progression. Both of these factors reduce the risk of pay inequality. The skills threshold tests should be monitored to ensure they do not have disproportionate adverse effect on any group with protected characteristics under the Equality Act 2010.

*Pay scales for the inspecting ranks*

- 7.1.268 The pay of the inspecting ranks has been approached in the same way as that of constables and sergeants, and the same principles apply. Fairness to the public, to police officers and police staff, and to the police service is an essential part of any new system of pay and conditions. People should be paid for what they do, the skills they have and are applying in their work, and the weights of the jobs they do. Professor Disney's analysis of ASHE data for Part 1 shows that pay for police officers at inspector rank and above (the data is not disaggregated to the level of individual ranks) is on a par with other professional managers in the public and private sectors. There is no evidence that forces have difficulty recruiting and retaining individuals of the right calibre in the inspecting ranks. These facts indicate that the pay of inspectors and chief inspectors is set at an appropriate level at present and I do not recommend any changes to it. The length of the pay scales is appropriate, accurately reflecting the time over which increases in experience lead to increased competence. As explained in Chapter 8, and for the reasons given there, I recommend that contribution-related pay progression should apply to all ranks. Inspectors and chief inspectors should, therefore, only progress up the pay scale after a year's service and having received a satisfactory box marking in their annual appraisals.
- 7.1.269 In Chapter 9, I recommend the introduction of a Specialist Skills Threshold before an individual can reach the maximum pay point in each rank. The Police Professional Body should determine the content of the curriculum and the test for both ranks. The focus of the skills thresholds for the inspecting ranks should be on management, leadership, and operational command. As explained in Chapter 9, there should be no limit to the number of times that an individual can take the test. It would be unfair to place an arbitrary limit that could prevent an officer maximising his salary.
- 7.1.270 The Specialist Skills Threshold should be applied to the pay scales of inspectors and chief inspectors in the same way as it is to the constables' and sergeants' pay scales. Fairness to the taxpayer and the efficiency and effectiveness of the police service demands that only those who can demonstrate the required skills, knowledge and experience should receive the maximum pay in these ranks.

*The London lead for the inspecting ranks in London*

- 7.1.271 The Metropolitan and City Inspectors' Branch Boards of the Police Federation submitted evidence arguing that policing in London is more onerous and demanding than it is elsewhere, and that inspectors in London routinely hold "levels of responsibility, spans of control ... and ... workloads" which are markedly greater than those held by their counterparts in other forces. They argue that London inspectors should therefore receive greater pay. The evidence which has been considered by the review, including the material submitted by the Police Federation, does not establish that the job of a police officer in London is, in general, harder than it is elsewhere. It is not in doubt that some of the challenges faced in London are unique to London; but other forces face unique challenges too, ones which are different from the difficulties which police officers face in London. For example, officers in rural forces must cope with large territorial distances and greater isolation from colleagues. If policing in London is in general harder than anywhere else, it would follow that all ranks should receive a London lead. The evidence submitted by the Metropolitan and City Inspectors' Branch Boards asserted but did not establish a case which justifies that only those in the inspecting ranks should receive financial compensation because their role is more demanding in London than elsewhere.
- 7.1.272 Indeed, considered from the perspective of recruitment and retention, the evidence from force transfers suggests that officers in other forces want to work in London. Other forces in the

south east of England have been compelled to introduce an additional allowance to stem the flow of officers from their forces to the MPS. If policing in London is harder, officers are clearly appropriately compensated for it. If that were not the case, the draw to London would not be as strong as it plainly is.

- 7.1.273 In the analysis section earlier in this Chapter, an alternative hypothesis was explored – that inspectors in London have to deal with a greater number of public order incidents. Since public order incidents tend to involve working additional hours (for which inspectors are not compensated, as they do not receive overtime payments), it is said that inspectors should be compensated through their basic pay.
- 7.1.274 It is clear that most of the available evidence (as shown in the analysis section above) indicates that this hypothesis is unsound. Neither the numbers of public order incidents nor the proportion of officers' time spent on public order incidents in London shows an additional burden for London officers, and the proportion of time spent on planned special event policing does not support the argument that officers in London are especially burdened by large set-piece events. In some years, the truly exceptional events experienced by London officers are dominated by public order, but these events form a very small percentage of the total workload of London officers.
- 7.1.275 The indirect evidence is similarly unresponsive of the hypothesis. The Federated ranks in the MPS make up 23% of the Federated ranks in all forces in England and Wales. Yet the MPS contains just 16% of all Public Order Units (POUs) in England and Wales. If public order were a particularly great problem in London, it could be expected that the MPS would have an above average number of POUs to deal with the problem. The proportion of inspectors who work in POUs is lower in the MPS (at 10%) than it is for non-London forces (15%), so inspectors in the MPS may carry more responsibility within POUs than their counterparts in non-London forces.
- 7.1.276 The evidence on constable and sergeant overtime shows that non-London forces use the more expensive rates of overtime more often as a proportion of their use of overtime compared with London forces. The consultation carried out for Part 1 suggested strongly that double-time costs are primarily driven by the need to police large demonstrations with fewer than seven days' notice and the automatic payment of double-time for a routine roster on a public holiday. If the hypothesis were sound, it should be expected that the London forces would be higher users of the more expensive overtime rates. This is not the case.
- 7.1.277 It is still possible that some individual London officers carry a particularly heavy public order burden, or that some especially large incidents are particularly stressful for officers in London. If that is established to be the case, it would be better to reward these at a more individualised level, for example, through the discretionary bonus payments that Chief Constables can make to reward work of an outstandingly demanding, unpleasant or important nature.
- 7.1.278 For the reasons given above, the case for the maintenance of the London lead for inspectors is not compelling. However, the evidence is not conclusive since, in the absence of a job evaluation exercise, it is not possible to test the accuracy of the argument that inspectors in the London forces have significantly greater responsibilities, spans of control and workloads than their counterparts in other forces. For this reason, and acknowledging the heavy demands which inspectors and chief inspectors already face, I recommend that the London lead for the inspecting ranks be preserved in the short-term. The pay review body (recommended in Chapter 10) should examine this issue again in its first review, when it will have the opportunity of receiving fuller and perhaps more persuasive evidence on the issue from the representative bodies and individual officers who wish to make their case. Unless the police pay review body is satisfied that the inspecting ranks in London do indeed have greater responsibilities and workloads than their counterparts elsewhere, the London lead should be abolished.
- 7.1.279 The recommended pay scales for the inspecting ranks will either be cost-neutral or make small savings. The savings will arise if some individuals take longer to reach the maximum of the pay scale than they would otherwise have done. It is not the purpose of this policy to hold back

any properly skilled and competent officer. Therefore, this potential saving has not been costed or factored into the projected financial effects of Part 2.

- 7.1.280 My recommendations on the pay scales for the inspecting ranks are unlikely to have any significant equality implications. The pay scales are already short and will remain at the same lengths. The skills threshold tests should be monitored to ensure they do not have a disproportionate adverse effect on any group with protected characteristics under the Equality Act 2010.

*Relationship between the pay scales in the Federated ranks*

- 7.1.281 It is uncontroversial that salaries and pay scales should reflect the responsibilities, job weights, and leadership requirements of each rank, and generally the higher ranks should therefore be paid at higher rates. At present, the size of the gaps between ranks broadly reflects this principle, as seen in Table 7.31.

<b>Table 7.31: Size of salary gap between the maximum and minimum of successive pay scales</b>		
<b>Ranks</b>	<b>Size of pay gap (£)</b>	<b>% pay increase</b>
Constable to sergeant	£0	0%
Sergeant to inspector	£5,748	14%
Inspector to chief inspector	£1,038	2%
Chief inspector to superintendent	£8,379	16%

- 7.1.282 It is noteworthy that there is no gap between the maximum salary of the constable and the starting salary for a sergeant (although at present constables who were previously on the maximum enter the sergeant pay scale at point 1 to guarantee them a pay rise). This means that some constables earn as much as sergeants. I agree with the joint submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police forces, that the very small pay increase could act as a disincentive to promotion to sergeant.
- 7.1.283 This is inconsistent with the principle that people should be paid for what they do, the skills they have and are applying in their work, and the weights of the jobs they do. As has been explained earlier in this Chapter, the application of this principle contributed to the recommendation that the sergeants’ pay scale should have its lowest pay point removed to create a gap between the constables’ maximum and the sergeants’ minimum. This will create a gap of £1,248, an increase of 3.4%. Given the significance of the step up to the rank of sergeant, this gap should be increased in the future. Sergeants are the first managerial rank in the police service and are crucial to the effectiveness of policing. They should take on greater managerial and leadership responsibilities in the future. The pay gap between the constable and sergeant ranks should clearly mark the status of sergeants, and incentivise the best constables to seek promotion. Unfortunately, it is not affordable to do this now. I therefore recommend that the new police pay review body considers this question again in its first triennial review.
- 7.1.284 The gap between sergeant and inspector salaries is correct – a 14% pay increase is an appropriate recognition of the increased demands the inspector rank places upon an individual. The 16% gap between chief inspector and superintendent salaries is also an appropriate reflection of the significant step-up in responsibility when an individual is promoted into the superintending ranks. Indeed that gap could be reduced slightly, as discussed later in this Chapter. However, the gap between inspector and chief inspector pay scales, at just 2%, is too small. It is a smaller salary increase than that given to officers as they progress through the pay points within the inspector salary scale (which average 2.7%). It does not make sense for an inspector to receive a greater pay increase for progressing within the rank of inspector than the pay increase he receives when he is promoted to a new and more demanding rank.

Once again, the fiscal situation and the reduction in police force budgets means that there is no funding available at present to make the gap larger, but I recommend that the new pay review body looks carefully at this in the future. It should obtain evidence that this marginal gap is not acting as a disincentive for inspectors to seek promotion, as the Police Superintendents' Association alleges is the case in its submission.

**Recommendation 53 - The current maximum basic pay for constables should remain at £36,519.**

**Recommendation 54 – A new, shorter pay scale for constables should be introduced from April 2013 as outlined in Table 7.12 of this report. It should have a lower starting salary than the current scale, but should allow constables to move to the maximum more quickly.**

**Recommendation 55 – Pay points 6, 7, and 9 should be removed from the existing constables' pay scale in April 2014, 2015, and 2016 respectively. This will allow constables to move to the maximum more quickly and ensure that the current and new pay scales merge in 2016.**

**Recommendation 56 – Pay point 0 of the current sergeants' pay scale should be removed from April 2014 to ensure that sergeants are always paid more than constables, consistent with the greater responsibilities of the job.**

**Recommendation 57 – The London lead for the inspecting ranks in the London forces should be maintained in the short-term. The police pay review body should consider the London lead in its first review. Unless the pay review body is satisfied that the inspecting ranks in London do indeed have greater responsibilities and workloads than their counterparts elsewhere, the London lead should be abolished.**

**Recommendation 58 – The police pay review body should, in its first triennial review, consider further increasing the gap between the constable and sergeant pay scales, and between the inspector and chief inspector pay scales, to ensure that good candidates are incentivised to seek promotion.**

## **7.2 Basic pay for superintendent, Assistant Chief Constable and Deputy Chief Constable ranks**

### **Background**

- 7.2.1 The superintending, Assistant Chief Constable (ACC) and Deputy Chief Constable (DCC) ranks are dealt with together in this Chapter because in the future, under the new structures for policing created by the Police Reform and Social Responsibility Act 2011, they will be appointed and dismissed by the Chief Constable.

### *History*

- 7.2.2 In the 19<sup>th</sup> century, pay rates for senior officers varied widely between forces. In part, this was because there was no national pay regime; pay was determined locally. It was also because

the responsibilities and job weights under the same nominal rank varied significantly between forces<sup>140</sup>.

- 7.2.3 The Home Office set pay rates for county forces from 1839 onwards, and revised them periodically over the course of the 19<sup>th</sup> century. City and borough forces could pay whatever they saw fit, although in practice they tended to follow the example set by the Home Office through its county constabulary rates and the rate it set for the Metropolitan Police.
- 7.2.4 The Home Office did not revise the county constabulary pay scales from 1886 onwards. As these rates became obsolete over time, forces raised pay of their own accord, in a piecemeal fashion. County forces had to seek Home Office approval to do so, whilst city and borough forces could act independently.

#### *The Desborough Committee 1920*

- 7.2.5 As explained in section 7.1 of this Chapter, the First World War caused substantial increases in the cost of living, and police pay did not keep up. After the police strike of 1919, the Desborough Committee was established to review police pay and conditions. The Desborough Committee recommended that “the pay of the higher ranks should be increased” although not necessarily at the same rate as the very substantial increases it recommended for constables and sergeants<sup>141</sup>. Desborough also recommended that the duties and pay of higher ranks should be standardised<sup>142</sup>. Since there was such a high level of variation in pay and responsibilities for the higher ranks in forces across the country, Desborough did “not think a standard scale of pay could be applied” to them<sup>143</sup>.
- 7.2.6 On the assumption that the recommendation for standardisation of responsibilities would be acted upon, Desborough recommended butt-ended pay scales for the superintending ranks, and annual pay progression. Desborough did not make recommendations on the pay of Assistant or Deputy Chief Constables<sup>144</sup>.

#### *Reductions in pay in the 1920s and 30s*

- 7.2.7 The 1920s and 1930s saw crises in the national finances, in the early 1920s as a consequence of the high levels of debt incurred in fighting the First World War, and in the early 1930s as a result of the Great Depression. The police were not immune from the reductions in Government expenditure prompted by the reports of the Committees on National Expenditure of 1922 and 1931, chaired by Sir Eric Geddes and Sir George May respectively. Both reports recommended cuts in police pay. These reductions affected the superintending ranks and Assistant and Deputy Chief Constables just as they did all other ranks in the police service.

#### *The Oaksey Committee 1949*

- 7.2.8 Police pay failed to keep up with the rapid rise in the cost of living caused by the Second World War too. Police forces in some areas were severely undermanned, and had particular problems with retention of police officers<sup>145</sup>. Pay rises in the years following the end of the war did not solve the retention problem, and so in 1948 the Government created a new committee, chaired by Lord Oaksey, to review police pay and conditions. It presented its report in 1949.
- 7.2.9 There had been a degree of standardisation in the roles and responsibilities of the higher ranks since Desborough’s report in 1919, but in 1949 there were still variations in the duties and pay of the superintending ranks. Class I and Class II superintendents, and chief superintendents, were on different pay scales. The differences between these ranks were based on the number of men under the command of the officer in question, but practice varied between county and

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140 Desborough report, paragraphs 46-47

141 *ibid.* paragraph 47

142 *ibid.* paragraph 48

143 *ibid.* paragraph 47

144 *ibid.* paragraph 49

145 Oaksey report, paragraph 177

borough forces<sup>146</sup>. Oaksey recommended that these differences be maintained, and that the pay of all the superintending ranks should be raised.

- 7.2.10 Oaksey recommended a London lead at the rank of superintendent to reflect the fact that “the responsibilities attached to a Metropolitan superintendent’s command are much greater than those of any provincial or Scottish rank”. As a consequence, superintendents in the Metropolitan Police were better paid than chief superintendents in other forces. Oaksey also recommended that superintendents in the Metropolitan Police be renamed ‘chief superintendents’ when the nomenclature of Metropolitan inspectors was changed, as was planned at the time<sup>147</sup>.
- 7.2.11 Oaksey recommended increases in the pay of Assistant Chief Constables, including by shortening the applicable pay scale. Oaksey also recommended a flat or spot-rate of pay for Assistant Chief Constables in the largest forces<sup>148</sup>. Oaksey endorsed recent recommendations about Deputy Chief Constables’ pay already made by a separate committee on superintendents’ pay in 1948<sup>149</sup>.

#### *The Edmund-Davies Committee 1978*

- 7.2.12 The recommendations of the Royal Commission on the Police in 1960 led to large increases in pay for constables, but it made no recommendations about the pay of the superintending ranks, ACCs or DCCs. It was not until the Edmund-Davies Committee of 1978 that their pay was considered in detail. The Edmund-Davies Committee was appointed to deal with one of the periodic crises in police recruitment and retention caused by the failure to raise police pay sufficiently in periods when the cost of living was increasing rapidly. The Committee was asked “to consider the basis for determining police pay and the appropriate levels of remuneration”<sup>150</sup>.
- 7.2.13 Edmund-Davies found that the difference in pay between chief inspectors and superintendents had been reduced by a decision in 1974 to grant inspector and chief inspector ranks an entitlement to full overtime payments<sup>151</sup>. The Committee therefore recommended “an increase in the differential [between the top of the chief inspectors’ pay scale and the bottom of the superintendents’ pay scale] from £1,041 to £1,900”<sup>152</sup>.
- 7.2.14 Edmund-Davies also recommended an increase in pay for both superintendents and chief superintendents of about 35%. Under Edmund-Davies’ recommendation, superintendents were to start on £9,800, rising to £10,550 over three years. Chief superintendents were to start at £10,800 rising to £11,550 over three years.
- 7.2.15 Edmund-Davies recommended the introduction of single point salaries to replace pay scales for all ACPO ranks. ACCs and DCCs had, until this point, been paid a salary linked to that of the Chief Constable of the force (67% and 75% of the Chief Constable’s salary respectively). A minimum salary system had been developed for ACCs and DCCs to ensure that those promoted from chief superintendent to ACC, or from ACC to DCC, would always receive a pay rise. Edmund-Davies considered that model unsatisfactory, and recommended that it be replaced with a single point salary for ACCs.
- 7.2.16 Edmund-Davies justified a single national rate on the basis that:

*“the responsibilities of assistant chief constables d[o] not vary greatly. In a small force the duties of a single assistant chief constable [a]re wider (but probably not heavier) than in a large force with a number of assistant chief constables, each of whom would specialise in a narrower field”<sup>153</sup>.*

146 *ibid.* paragraphs 51-52

147 *ibid.* paragraphs 54-55

148 *ibid.* paragraph 56

149 *ibid.* paragraph 52

150 Edmund-Davies report (2), page v

151 *ibid.* paragraph 125

152 *ibid.* paragraph 139

153 *ibid.* paragraph 192

- 7.2.17 In order to ensure that there was a worthwhile increase on promotion from chief superintendent to ACC, Edmund-Davies recommended that the salary for ACCs be set at £12,500<sup>154</sup>. The previous minimum salary for ACCs was £8,456. This recommendation therefore constituted a pay rise worth up to 48%.
- 7.2.18 Edmund-Davies recommended that DCCs should be on a single point salary structure, consistent with his treatment of other ACPO ranks. Unlike ACCs, Edmund-Davies concluded that the weight of DCC roles did vary from force to force. The DCC role was more onerous in larger forces. This was because there was only ever one DCC in a force, whereas the number of ACCs tended to increase as forces got larger. This meant that it was only DCCs whose job weights were directly related to the size of the force.
- 7.2.19 Edmund-Davies concluded that the DCC salary should, like the Chief Constable salary, be weighted to reflect the population of the area covered by the force. Edmund-Davies recommended the creation of 11 pay bands for Chief Constables (this is covered in greater detail in the following section on Chief Constables' basic pay). Edmund-Davies recommended that each DCC's salary should be raised from 75% to 80% of the salary of his Chief Constable. ACPO ranks in the Metropolitan and City of London forces were to be given pay increases proportional to those awarded to the ACPO ranks in the counties.

### *The Sheehy Report 1993*

- 7.2.20 The committee of inquiry chaired by Sir Patrick Sheehy reported in 1993. Sheehy's radical approach to police pay applied as much to the superintending and ACPO ranks as it did to the Federated ranks described in section 7.1 of this Chapter.
- 7.2.21 The rank of chief superintendent was to be abolished under Sheehy's recommendations<sup>155</sup>. Superintendents, like all the ranks below the ACPO ranks, were to have their pay calculated according to a matrix that took account of: the scope of the role; policing circumstances; experience and skills, and performance. This would be used to give each job a points score, which would relate to a particular point on the pay scale for each rank. Pay progression would have been possible through performance improvement as this would have raised an individuals' score on the matrix, and thus his position on the payscale<sup>156</sup>.
- 7.2.22 The pay scale for superintendents recommended by Sheehy had 12 pay points, with a minimum of £31,030 and a maximum of £46,544<sup>157</sup>. It overlapped at the bottom with the maximum of the inspectors' pay scale, and at the top with the minimum of the ACCs' pay scale.
- 7.2.23 Sheehy's recommended new pay scale, if it had been implemented, would have represented a 14% pay cut compared with the minimum of the existing superintendents' scale (from £35,508 down to £31,030) and an 11% pay increase compared with the top of the existing chief superintendents' scale (from £42,066 up to £46,544). It combined the existing superintendent and chief superintendent pay scales into a single scale (consistent with his recommendation that the rank of chief superintendent be abolished).
- 7.2.24 ACCs, along with the other ACPO ranks, were not to be subject to the job matrix devised by Sheehy. Sheehy recommended the introduction of 12-point pay scales for each of the ACPO ranks (discussed in section 7.3 of this Chapter). ACCs were to be placed on the ACC scale by their Chief Constables in consultation with the relevant police authority.
- 7.2.25 Sheehy's recommended that the ACC pay scale should begin at £41,748 and have a maximum of £62,622. It was to overlap with the superintendent pay scale below it and the Chief Constable pay scale above it.
- 7.2.26 In 1993, the minimum salary for ACCs was £46,542 and the maximum was £47,709. Sheehy's recommended pay scale therefore would have represented an 11% cut in pay at the bottom end of the scale, and a 31% increase at the top end of the scale. Sheehy recommended the abolition

154 *ibid.* paragraph 193

155 Sheehy report, paragraph 3.51

156 See Chapter 9.1 for an explanation of the matrix that Sheehy recommended

157 *ibid.* paragraph 7.42

of the rank of Deputy Chief Constable, and therefore did not make pay recommendations for the rank.

- 7.2.27 Sheehy's recommendations relating to pay for senior officers were not accepted by the Home Office and were never implemented.

### *Recent developments*

- 7.2.28 A new set of pay and conditions for superintendents was established in 2003. Those aspects of the package concerning performance-related pay are considered in Chapter 8. The most significant change relating to basic pay was the introduction of the post-related allowance for chief superintendents. The post-related allowance is an annual non-pensionable allowance of £5,001. It is given to those officers doing the most onerous chief superintendent jobs. Chief Constables, in agreement with their police authorities and in consultation with the local branches of the Superintendents' Association, decide which posts should attract the allowance. Indicative criteria are published to help Chief Constables select the appropriate posts. The jobs which are to attract the post-related allowance are:
- the most demanding Basic Command Unit (BCU) commander jobs, with exceptionally difficult policing conditions, high public profile, and particularly complex community relationships; and
  - other very demanding posts, including those dealing with high volumes of serious crime, high levels of deprivation and difficult conflict in community and partnership working<sup>158</sup>.
- 7.2.29 The post-related allowance came into effect in 2004. There is no quota for the number of posts that can attract the allowance, although at the time the allowance was established it was envisaged that, nationally, about 15% of chief superintendent posts would be eligible for the allowance.
- 7.2.30 A new pay and conditions package for chief officers was established in 2004<sup>159</sup>. This package made two important changes to the basic pay of ACCs. First, it removed ACCs from the fixed term appointment (FTA) arrangements (explained in paragraph 7.2.40), whilst maintaining them for DCCs and Chief Constables. Secondly, it required police authorities to place newly promoted ACCs at the bottom of the new six-point pay scale (except for those who had previously been at the top of the chief superintendent pay scale, who were to start on the second pay point of the ACC scale). Previously, police authorities had been free to choose for themselves at what point to place a newly-promoted ACC.
- 7.2.31 In 2010, the Government announced changes to tax relief on pension contributions. The Lifetime Allowance (LTA) and Annual Allowance (AA) for tax relief on pensions were both revised downwards, meaning that a greater number of individuals have to pay a higher rate of tax on their pensions.
- 7.2.32 The LTA is the maximum amount of pension that an individual can receive from his pension scheme which benefits from tax relief. Additional tax will be paid on any pension benefits received in excess of the LTA. In the financial years 2010/11 and 2011/12, the LTA is set at £1.8 million. That means that any pension benefits received in excess of £1.8 million will be taxed at 55% for a lump sum, and 25% for a pension. In 2012/13, the LTA is due to be revised down to £1.5 million. Any individual who receives pension benefits in excess of £1.5 million will then have to pay additional tax, reducing the value of the benefits to the individual. Some chief officers will be affected by this change.
- 7.2.33 The AA is the maximum amount of pension saving any individual can make in a year that benefits from tax relief. Savings made both by the individual and by the employer are affected. Savings in excess of the AA are taxed at a higher rate. In the financial year 2010/11, the AA was set at £255,000. In 2011/12, it has been reduced to £55,000. The rate of the AA tax charge varies according to the rate at which the individual has received tax relief. Excess pension

<sup>158</sup> PNB Circular 03/18, Annex B

<sup>159</sup> PNB Circular 04/05

savings over the higher rate limit are taxed at 50%; those over the basic rate limit but below the higher rate limit are taxed at 40%; and those below the basic rate limit are taxed at 20%.

- 7.2.34 Any individual who makes pension savings in excess of £55,000 will be affected by the change. This includes some chief officers. The effect of the changes on each individual will vary according to his salary and the amount he saves for his pension.

### Status quo

- 7.2.35 The current pay scales for superintendents and chief superintendents are reproduced in Tables 7.32 and 7.33 respectively. As set out in Determination Annex F, made under Regulation 24 of the Police Regulations 2003, pay progression is based upon performance (further details are in Chapter 8). The most demanding chief superintendent posts attract the post-related allowance, worth £5,001 per year.

**Table 7.32: Superintendent salaries**

Pay point	Superintendent salary with effect from 1 September 2010
1	£62,298
2	£64,869
3	£67,437
4	£70,014
5	£72,585

*Source: Police Regulations and Determinations 2003*

**Table 7.33: Chief superintendent salaries**

Pay point	Chief superintendent salary with effect from 1 September 2010
1	£74,394
2	£76,509
3	£78,636

*Source: Police Regulations and Determinations 2003*

- 7.2.36 Part 1 recommended that the post-related allowance be retained for the short-term, since it reflects the different weights of chief superintendent jobs.
- 7.2.37 The current pay scale for ACCs is reproduced below. As set out in Determination Annex F, made under Regulation 24 of the Police Regulations 2003, pay progression is based upon performance (further details are in Chapter 8).

<b>Table 7.34: Assistant Chief Constable salaries</b>	
<b>Pay point</b>	<b>ACC salary with effect from 1 September 2010</b>
1	£90,726
2	£93,753
3	£96,780
4	£99,798
5	£102,828
6	£105,849

*Source: Police Regulations and Determinations 2003*

- 7.2.38 Part 1 recommended that Assistant Chief Constables should move from their current pay scales onto a single rate for the job based on the weight of what they do, in the same way as their Chief Constable and Deputy Chief Constable colleagues.
- 7.2.39 Deputy Chief Constables are paid a spot rate as set out in Determination Annex F made under Regulation 24 of the Police Regulations 2003. The rate of pay is related to the DCC's force. All forces are given a rating based on measures that take account of:
- call management;
  - crime management;
  - traffic management;
  - public order management/public reassurance;
  - community policing management;
  - patrol management;
  - security-related expenditure; and
  - population sparsity.
- 7.2.40 Deputy Chief Constables are engaged on short-term contracts known as fixed term appointments. They are engaged by their police authority initially for a five-year term. This can be extended for a further three years with approval by the Home Office, and on an annual basis thereafter.
- 7.2.41 Part 1 of this review recommended no changes to the basic pay arrangements for Deputy Chief Constables.

## **Analysis**

### *Recruitment and retention*

- 7.2.42 The principal purpose of basic pay is to recruit and retain officers of the right calibre. The superintending, ACC and DCC ranks are not filled from the general labour market, as they can only be filled on promotion or level transfer by serving police officers. The fact that police forces do not have difficulty filling vacancies at the superintending and ACC ranks indicates that the basic pay for these ranks is sufficiently high to attract candidates of the right calibre. Some forces experience difficulties in attracting applications for vacancies at Deputy Chief Constable rank due to the small gap between the pay of an ACC (on a national rate) and the DCC in a small force<sup>160</sup>. This can be as little as £3,000 in the smallest forces, where DCCs are paid £108,873. The top of the ACC pay scale is £105,849, but the step up in responsibility from ACC to DCC is a significant one.

<sup>160</sup> CPOSA submission, page 17

- 7.2.43 Table 7.35 shows the number of applicants for vacancies in the ACC and DCC ranks between 2007 and 2011. The data are derived from unpublished management information held by the Home Office. They have not been quality assured and should be treated as indicative only.

<b>Table 7.35: Number of applicants for DCC vacancies in England and Wales: 2007 – 2011</b>		
	<b>Average number of applicants for each vacancy</b>	
<b>Force size<sup>161</sup></b>	<b>Assistant Chief Constable</b>	<b>Deputy Chief Constable</b>
London forces	3	5
Group 1	5	5
Group 2	4	5
Group 3	5	4
Group 4	4	3

*Source: Unpublished Home Office management information.*

- 7.2.44 The very low wastage rates amongst police officers of all ranks indicates that basic pay is set at a level that is at least sufficiently high to prevent difficulties arising with retention. On 2009/10 figures, the average rate of police officer wastage was 4.7% of the total officer workforce, including transfers between forces. Voluntary turnover rates in private industry are usually around 13%. It should be remembered that factors other than basic pay will contribute towards the low police officer wastage rate, not least the double-accrual pension rates in the last ten years of an officer's career (Appendix 5 contains details of police pension arrangements.)

### *Spot rates and pay scales*

- 7.2.45 Spot rates and pay scales are alternative approaches to basic pay, and each has advantages and disadvantages. The primary benefit of a spot rate of pay is that it allows pay accurately to reflect the weight of the job. The primary disadvantage is that it does not reflect the increase in competence brought about by increased experience in the job, unlike an incremental pay scale. Further, it does not allow pay progression to be linked to performance, which is possible where there is performance-related progression through the increments of a pay scale. Chapter 8 contains a detailed discussion of contribution-related pay.

### *Costs*

- 7.2.46 The approximate costs of the salaries of the superintending ranks, ACCs and DCCs in England and Wales are set out in Table 7.36. These figures do not include the cost of the force's National Insurance and pension contributions in respect of the police officers in question.

161 Forces were divided into five groups on the basis of their size, as determined by the force weightings used to determine Chief Constable pay. The groupings are as follows:

- **London forces** – Metropolitan Police Service and the City of London Police
- **Group 1** – West Midlands, Greater Manchester, West Yorkshire and Thames Valley
- **Group 2** – Merseyside, Northumbria, Hampshire, Kent, Lancashire and Devon and Cornwall
- **Group 3** – South Yorkshire, Essex, Avon and Somerset, Sussex, South Wales, Nottinghamshire, Hertfordshire, West Mercia, Cheshire, Humberside, Staffordshire, Leicestershire and Derbyshire
- **Group 4** – Surrey, Norfolk, Cleveland, Durham, Cambridgeshire, North Wales, North Yorkshire, Gwent, Northamptonshire, Suffolk, Dorset, Wiltshire, Bedfordshire, Gloucestershire, Lincolnshire, Cumbria, Warwickshire and Dyfed Powys

**Table 7.36: Cost of salaries for superintending, ACC and DCC ranks**

	Superintendents	Chief superintendents	Assistant and Deputy Chief Constables	Total
<b>Full Time Equivalents (FTE)</b>	944	422	169	1,535
<b>Costs (£)</b>	£66 million	£34 million	£21 million	£121 million
<b>% of total police officer salary costs</b>	1.3%	0.7%	0.45%	2.45%

*Source: Review's own modelling*

### Comparators

- 7.2.47 In his report *The Remuneration of the Police in the United Kingdom*, compiled for Part 1, Professor Disney found that the pay of Deputy Chief Constables and Chief Constables was broadly aligned with that of their comparators elsewhere in the public sector<sup>162</sup>. In the absence of detailed job evaluation, it is not possible to draw precise comparisons between the pay of the superintending, ACC and DCC ranks, and their equivalents elsewhere in the public and private sectors. It is not straightforward to find natural private sector comparators for these ranks so public sector comparators are used here.

### Head teachers

- 7.2.48 Head teachers and deputy head teachers are paid at a rate related to the number of pupils in the school, the number of those pupils with special educational needs, and the proportion of pupils at each educational 'key stage'. On this basis, each school is assigned a score which corresponds to one of eight pay scales or spines. Pay scales are typically 12 to 15 pay points in length. The minimum salary of the lowest of the eight pay spines is £42,379. A salary at this level would be paid to a new deputy head of a smaller school. The maximum salary of the highest of the eight pay spines is £105,097<sup>163</sup>. A salary at this level would be paid to an experienced head in the largest and most challenging schools. It is up to the relevant authority to decide where on the relevant pay spine to place the head and deputy head teacher, subject to the proviso that it must be one of the bottom four points of the pay scale. Pay progression up the spine is possible on the basis of good performance, but pay cannot be advanced by more than two pay points in a single year.

### HM Prison service operational managers

- 7.2.49 There are four senior manager grades in the prison service: grades D, C, B and A. Grades D and C have six-point pay scales, whilst grades B and A have seven-point pay scales. Grade D managers start on £45,700. The top of the grade A pay scale is £82,892<sup>164</sup>.

### NHS Managers and Very Senior Managers

- 7.2.50 'Very senior managers' is a term used to describe chief executives, executive directors, and others with Board level responsibility who report directly to the chief executive in strategic health authorities (SHA), primary care trusts (PCT) and ambulance trusts. Chief executives are paid at a rate related to the population covered by the SHA or PCT in question, weighted for age and deprivation. What the NHS terms 'second level very senior managers' – for

162 Part 1 report, page 251

163 *School Teachers' Pay and Conditions Document 2011*, Department for Education, London, 2011 pages 36-39

164 *Prison Service Pay Review Body: Tenth Report on England and Wales*, Cmnd. 8021, London, 2011, Appendix E

example, board level directors of finance, performance, and nursing – are paid a proportion of the chief executive’s salary, varying from 55% for the director of corporate affairs to 75% for the finance director. Finance directors working for the largest and most challenging PCTs (covering populations of over one million people) earn approximately £112,000, whilst directors of corporate affairs earn approximately £82,000. At the smallest PCTs, they would earn approximately £79,000 and £58,000 respectively<sup>165</sup>.

- 7.2.51 The most senior roles covered by the NHS pay structure – that is, NHS managers just below the ‘very senior manager’ categorisation – are on a six-point pay scale that starts at £77,079 with a maximum of £97,478<sup>166</sup>.

### *Senior civil servants*

- 7.2.52 Senior civil servants (SCS) are on three pay bands below the grade of permanent secretary, numbered one to three in ascending order of seniority. The most junior SCS, pay band 1, starts at £58,200, with the maximum of £117,800. The median salary in 2010 was £73,421. Pay band 2 ranges from £82,900 to £162,500. The median salary in 2010 was £100,000. Pay band 3 ranges from £101,500 to £208,100. The median salary in 2010 was £133,000<sup>167</sup>.
- 7.2.53 The SCS comparison is probably more relevant to ACC and DCC ranks than superintendents. The pay of more junior grades in the civil service is determined by each department and is therefore varied. By way of illustration, the Home Office pays its grade 6 civil servants on a 21-point pay scale, starting at £56,971 with a target rate of £70,504.
- 7.2.54 None of these public sector comparators provides a direct or precise comparison with the superintending, ACC or DCC ranks. They do, however, serve to show the variety of approaches to basic pay, and indicate that the pay of superintendents, ACCs and DCCs is broadly in line with their counterparts elsewhere in the public sector.

## **Consultation**

### *Response by the Association of Chief Police Officers*

- 7.2.55 ACPO argues that the skills required for modern policing are highly sought after, and that competitive rates of pay are essential if the right calibre of candidate is to be attracted to and stay in the police service.
- 7.2.56 ACPO says that although research shows that police officers are not motivated by financial gain, “the quality of service provided to the public depends on both officers and police staff feeling appreciated and appropriately rewarded for what they do”<sup>168</sup>. ACPO recognises that the current financial situation requires all public spending to be subject to rigorous scrutiny, and accepts that policing should not be exempt from that scrutiny.

### *Response by the Association of Police Authorities*

- 7.2.57 The APA says that pay differentials between ACCs, DCCs and Chief Constables must be material, and the pay set at a rate to attract suitably qualified and able individuals. The pay structure for ACCs and DCCs should be based on the notion that “underlying economic fundamentals [will] provide appropriate controls”. That is, when chief officers of sufficient calibre are a scarce commodity, their pay will increase, and when there is an oversupply of them, their pay will decline. This approach should be coupled with actions to increase the ‘talent pool’ from which chief officers are recruited by “identifying and qualifying the best possible group of candidates”.
- 7.2.58 The APA says that there should not be complete local discretion to set basic pay rates for ACCs and DCCs. Instead, there should be a combination of local flexibility to attract the best people,

165 *Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts*, Department of Health, London, 2009

166 *NHS Terms and Conditions of Service Handbook*, NHS Staff Council, Annex C

167 *Review Body on Senior Salaries: Thirty-Third Report on Senior Salaries*, Cmnd. 8026, London, 2011, page 22

168 ACPO submission, page 8

and a national element to prevent wage inflation. The actual rate of pay for ACCs and DCCs in each force should be determined by a combination of ‘recruitment economics’ and the “complexity and risk profile of the job”<sup>169</sup>.

*Response by the Association of Police Authority Chief Executives*

- 7.2.59 APACE says that there needs to be a more sophisticated structure for determining chief officer pay. Such a structure would, it argues, overcome the current “rigidities” that can make it difficult to recruit chief officers in certain forces, and have led to the use of local employment packages, including relocation allowances, in order to recruit the right candidates<sup>170</sup>.
- 7.2.60 Its case is that any new arrangements should support APACE’s principles of consistency, coherence and fairness. APACE argues for a national pay structure that takes account of each force area’s population, size of force, policing challenges and geographical area. This could include local supplements where necessary.
- 7.2.61 APACE says that this structure should be used to determine the relationship between the salaries of the Chief Constable, DCC and ACC. APACE supports the status quo whereby DCC’s salaries are set at 80% of the Chief Constable’s salary, but suggests setting that as a cap, and allowing local discretion to set the precise rate<sup>171</sup>. The structure should also be sufficiently flexible to allow unusual local arrangements, such as the appointment of a DCC to work jointly in two police force areas. It also argues that this approach could apply, in principle, to ACCs’ salaries which should be set at a percentage of the Chief Constable’s salary, lower than that used for DCCs.

*Responses from police forces and police authorities*

- 7.2.62 The combined response from the Humberside and South Yorkshire forces says that the introduction of different spot rates of pay for different ACC roles would restrict a Chief Constable’s ability to move ACCs between portfolios. However, were it to be introduced, 80% of the DCC’s salary would be the appropriate level for a national spot rate for ACCs.
- 7.2.63 Kent Police remarks upon the difficulty of establishing spot pay for superintendents. It says that whilst job evaluation may be used to establish differentials within a force, this process would not address differences between forces. In a similar vein, the joint West Midlands Police and West Midlands Police Authority submission argues<sup>172</sup> that the post-related allowance system for superintendents has not worked because different forces have different conceptions of what constitutes a ‘big’ chief superintendent job. Nottinghamshire Police says that the current post-related allowance is too crude a tool because it is set at a single rate (£5,001). It argues that it should be replaced with a flexible bonus pot that could be allocated if and when needed to reflect a post’s requirements.
- 7.2.64 Northumbria Police suggests setting the pay of the superintending ranks and ACCs as a percentage of the Chief Constable’s pay, with the post-related allowance maintained to differentiate between the heavier and lighter chief superintendent posts. Northumbria Police also suggests that all ACCs in a force should be paid the same amount because they have collective corporate responsibility, and have a shared on-call responsibility<sup>172</sup>.
- 7.2.65 Northamptonshire Police says that the use of the same methodology to establish spot pay for superintendents as is used currently for DCCs and Chief Constables has the advantages of simplicity and transparency, but would be inflexible and would fail to take account of the specific weight of each job. Whilst it considers spot pay to be an appropriate way of rewarding highly skilled or difficult-to-fill posts, Northamptonshire Police says that any spot pay system must ensure that:
- a national comparator exists;

169 APA submission, page 27

170 *Submission from Association of Police Authority Chief Executives*, September 2011, page 2

171 *ibid.* page 3

172 *Submission from Northumbria Police*, September 2011, page 6

- there is a national ceiling in place;
- assessment criteria are consistent;
- it is sufficiently flexible to reflect the different challenges found in different roles at superintendent rank; and
- it does not discourage officers who are promoted rapidly and are expected to reach the highest ranks<sup>173</sup>.

*Response by Police Superintendents' Association of England and Wales*

- 7.2.66 The Police Superintendents' Association is in favour of the *status quo* for the pay of the superintending ranks. It says that it does not support the introduction of spot pay, and wishes to retain double increments, the performance-related bonus, and the post-related allowance for chief superintendents.
- 7.2.67 The Association explains that a job-weighting exercise was carried out in 2003 and that, since then, the number of superintendents has been reduced by about 10% (from 1,610 to 1,441, or by 14% since 2005 using the full-time equivalent figures calculated by Hay Group)<sup>174</sup>. The Association says that this has led to an increase in the weight of the job in chief superintendent and superintendent roles (although the Hay Group research which the Association included in its submission says that there has been only “a marginal increase in average job size”)<sup>175</sup>.
- 7.2.68 The Association argues that some superintendents and chief superintendents are underpaid in comparison with similar roles in the private and public sectors. The Association commissioned Hay Group to undertake research in this area. The Hay research shows that the smallest roles within the superintending ranks are paid at or above the median in the private and public sectors (93% - 112% of the median for comparable private sector jobs; 126% - 137% of the median for comparable public sector jobs in terms of total remuneration). The largest jobs in the superintending ranks are less competitive with their private sector equivalents, but are above the public sector median for total remuneration<sup>176</sup>.
- 7.2.69 The Association considers the rate of pay for DCCs to be appropriate, but warns that recent changes to tax and pension arrangements for the ACPO ranks serve as a disincentive to promotion, and may limit the pool of available candidates for these posts.

*Response by the Chief Police Officers' Staff Association*

- 7.2.70 CPOSA argues that chief officers' remuneration has fallen behind those of their comparators in the public and private sectors. CPOSA says that the review should introduce a remuneration package that appropriately rewards chief officers, “recognising the scale of the challenges faced by the incumbents of these crucial roles”<sup>177</sup>. In the future, CPOSA says, all chief officer roles should be harmonised around a single pay spine.
- 7.2.71 CPOSA argues that if spot rates were to be introduced for ACCs, there could be two approaches to determining the rate of pay. The first would be to link ACC pay to that of the Chief Constable, as is currently the case for DCCs. The second would be to introduce a national spot rate, drawn from the existing six-point pay scale for ACCs.
- 7.2.72 CPOSA suggests that the first approach would require changes to the pay of the superintending ranks in order to maintain the differential between chief superintendents' and ACCs' pay. For reasons that it does not explain, CPOSA considers such an outcome undesirable.
- 7.2.73 In CPOSA's opinion, the second approach – a national spot rate for ACCs – would cause similar problems. It says that the spot rate would have to be set at a level that would maintain an appreciable pay gap between chief superintendents at the top of their scale and ACCs, and

173 *Submission from Northamptonshire Police*, September 2011, page 172

174 *Police Superintendents' Association submission*, Appendix A, page 8

175 *ibid.* Appendix A, page 3

176 *ibid.* Appendix A, page 32

177 *CPOSA submission*, page 8

between ACCs and DCCs in the smallest forces. If the ACC spot rate were set at the wrong level, it could exacerbate the recruitment problems that smaller forces already face, and lead to higher levels of staff turnover as ACCs leave smaller forces in increasing numbers in order to find better pay in larger forces.

- 7.2.74 CPOSA regards the least attractive approach as one in which individual ACC posts would be ‘micro-evaluated’, leading to different rates of pay for ACCs in the same force. CPOSA stresses the difficulties of establishing a fair and objective job evaluation process for ACC posts. The comparison between a broad-ranging ACC post in a small force, and a more narrowly-focused role in a large force is very hard to draw, it says. This problem does not apply to DCCs and CCs, because there is only one in each force making for a direct relationship between force and job size. For the same reason, CPOSA rejects the idea of using the same weighting method for ACCs as is used for DCCs and CCs – the variable number of ACCs in a force makes this approach over-simplistic and unfair, in its view.
- 7.2.75 CPOSA supports an alternative to spot rates of pay: a new three-point pay scale for ACCs created by compressing the existing six-point scale.
- 7.2.76 CPOSA considers the pay for DCCs to be insufficient. The report commissioned from Hay Group compares chief officer pay with the pay for similar roles in other occupations. The report finds that chief officers “are paid below the private sector median for jobs of similar size”. The comparison with the public sector provides more mixed results, with some DCCs found to be paid at or above the public sector median, but with the bigger DCC jobs paid below the median<sup>178</sup>.
- 7.2.77 CPOSA argues for the removal of the fixed term appointment (FTA) arrangements, which it considers to be unfair and a disincentive for young ACCs to apply for DCC roles. CPOSA argues that the problem which FTAs were introduced to solve – some chief officers staying in post for a very long time – no longer exists. It also says that recent changes to tax relief on pension contributions have made chief officer posts much less attractive, with some officers having to take a real terms pay cut to move into a new post.

### *Seminars*

- 7.2.78 At the review’s seminar on basic pay on 21 July 2011, Mr Ben Priestley of UNISON argued that changing the pay of one rank would lead to changes in the pay of all the other ranks, if the relativities of pay between each rank were to be maintained. For example, a change in the pay of constables would, in Mr Priestley’s opinion, necessitate a change in pay for chief officers, superintendents, and every rank below them<sup>179</sup>.

### **Conclusion**

- 7.2.79 The pay data provided to the review indicate that these ranks are paid at broadly the same levels as their comparators in the public sector. There is no evidence of recruitment or retention problems at these ranks. Therefore, there is no need to make fundamental changes to pay levels for any of these ranks.
- 7.2.80 However, the preceding sections have shown that there are four issues that must be addressed in reviewing the basic pay of the superintending, ACC, and DCC ranks.
- 7.2.81 First, should superintendents’ basic pay be changed in the light of the reduction in numbers at this rank, and my recommendations in Chapter 8 that bonuses and double increments should be abolished?
- 7.2.82 Secondly, is the chief superintendents’ post-related allowance the right way, in the long term, of rewarding those chief superintendents in the most demanding jobs?

<sup>178</sup> CPOSA submission, annexed Hay Group report, pages 3-4

<sup>179</sup> Basic pay seminar (2011), page 57

- 7.2.83 Thirdly, is the gap between the top of the chief superintendents' pay scale and the bottom of the ACCs' scale sufficiently large to encourage high quality chief superintendents to make the step up into the chief officer ranks?
- 7.2.84 Fourthly, should superintendents and ACCs be paid a spot rate, or a variable rate on a pay scale? In Part 1, I said that in Part 2 there would be a closer examination and analysis of how superintendents and Assistant Chief Constables might be moved onto a spot rate of pay. The differentials between the pay of chief inspectors, the superintending ranks, ACCs and DCCs are important in encouraging movement through the ranks up to ACC, and on into the most senior ranks of the police service.

### *Superintendents' basic pay*

- 7.2.85 The evidence in the preceding sections of this Chapter shows that superintendents' basic pay is set at broadly the correct level. This is because there are no recruitment and retention problems at superintendent rank. The evidence of the Police Superintendents' Association shows that pay for superintendents is set at about the same level as that of their comparators elsewhere in the public sector.
- 7.2.86 There are three issues that make changes to the superintendents' pay scale necessary:
- the advantages of shortening pay scales at the more senior ranks to reflect more accurately the period over which greater experience leads to increased competency, and of introducing skills thresholds in all ranks up to chief superintendent;
  - my recommendation in Chapter 8 that bonuses and double increments for the superintending ranks should be abolished; and
  - the reduction in the numbers of superintendents, and the likelihood that this will result in an increase in job weight for most superintendents.
- 7.2.87 Pay scales should relate to the length of time over which competence improves through experience. Under the current pay structure, superintendents have a longer pay scale, at five pay points, than the ranks immediately above and below them. Yet superintendents do not continue to gain in competence through increases in experience for two years longer than do chief inspectors. I therefore recommend that the superintendent pay scale be shortened to three pay points, in line with those of the chief inspector and chief superintendent pay scales.
- 7.2.88 Chapter 9 contains a discussion and set of recommendations on skills-based pay. The principle that people should be paid according to the skills they have and are applying in their work should apply throughout the police service. I therefore recommend that the superintendents' pay scale, like that of every other rank up to chief superintendent, should include a skills threshold test. This will ensure that only those who can demonstrate that they possess the necessary skills, knowledge and experience receive the maximum rate of pay. Passing the skills threshold test should lead to an accredited qualification.
- 7.2.89 Chapter 8 contains analysis and recommendations in relation to contribution-related pay in the police service. I recommend abolishing individual bonuses at all ranks, including the superintending ranks. And I recommend abolishing double increments in the superintending and ACC ranks. However, superintendents should sustain no further reduction in their earnings. This is because the number of superintendent posts is declining (by about 14% since 2005 on Hay Group figures provided by the Police Superintendents' Association), and, at the same time, their jobs are becoming more onerous. Whilst the Hay Group analysis submitted by the Police Superintendents' Association showed that job weight has only increased marginally, it identified a trend for individuals having to perform their jobs in a more demanding environment, and that there is a larger proportion of the heaviest roles at superintendent level.
- 7.2.90 I recommend that a new three-point pay scale is introduced for superintendents. The final pay point should only be available to those individuals who successfully pass a skills test to ensure that they possess the required skills, knowledge and experience. The money which is presently spent nationally on superintendents' bonuses (which are non-pensionable) and double-increments should be reinvested into superintendents' basic pay. Since the money that was

used on bonuses will go into pensionable basic pay, a portion should be set aside to cover the increased employer pension contributions. Whilst individuals' earnings will change as a result of this recommendation, the total amount of the police pay bill spent on the superintending ranks will stay the same. Since basic pay is to rise as a result of the reallocation of the money reserved for bonuses and double-increments, superintendents will be better off both because these rises in basic pay will be pensionable, and because they will reach the pay maximum more quickly.

7.2.91 The proposed new pay scale is set out in Table 7.37 below.

Pay point	Salary (£)
1	£60,094
2	£66,340
3 (Skills Threshold)	£72,585

7.2.92 Table 7.38 below shows that superintendents on the recommended pay scale will earn more, cumulatively, through their basic pay than they do at present. They will receive £4,415 more after three years, and £6,986 more after four years.

Year	Cumulative earnings – current scale (£)	Cumulative earnings – recommend scale (£)	Difference (£)
1	£62,298	£60,094	-£2,204
2	£127,167	£126,434	-£733
3	£194,604	£199,019	£4,415
4	£264,618	£271,604	£6,986
5	£337,203	£344,189	£6,986

7.2.93 The Police Professional Body should be required to create a curriculum and test for the superintendent skills threshold. The test should focus on leadership and financial management as well as operational requirements. In the years before the skills threshold test is introduced, individuals who have spent a year at pay point 2 and have received at least a satisfactory box marking in their annual appraisal should be able to progress to the final pay point. It would be unfair for an officer to have their pay held back because the test has not yet been introduced.

7.2.94 The new pay scale should come into effect on 1 April 2014. Officers promoted into the rank of superintendent on or after 1 April 2014 should be paid according to the recommended pay scale. In order to make this recommendation affordable, officers who were promoted to the rank of superintendent before 1 April 2014 should remain on the current superintendent pay scale until 1 April 2016. From 1 April 2016, officers who were promoted to superintendent before 1 April 2014 should, at their next progression up the pay scale, move directly to the pay maximum. This will ensure that the pay of officers promoted before 1 April 2014 does not substantively fall behind the pay of officers promoted on or after 1 April 2014. It will also ensure that no superintendent loses basic pay as a result of this change.

7.2.95 This recommendation will not create additional bureaucracy for the police service except for the single move of superintendents onto the new pay scale.

7.2.96 This recommendation will not have any direct implications for equality considerations. The skills threshold test could have an adverse effect on groups with protected characteristics if it

were found that they had a lower pass rate than other groups. For this reason, I recommend that forces monitor pass rates. However, nothing should be done to disturb the overriding principle of promotion on the sole criterion of merit.

*The chief superintendents' post-related allowance*

- 7.2.97 The post-related allowance for chief superintendents was introduced in 2003 to provide appropriately higher remuneration to chief superintendents in the most onerous posts. The principle that officers doing the hardest and most onerous jobs should be paid more than others is a sound one. For this reason, my Part 1 recommendations supported the retention of the post-related allowance for the short-term.
- 7.2.98 Consultation respondents have given a variety of views about the post-related allowance. The Police Superintendents' Association wishes to retain it. Some forces are critical of it because of the difficulties of applying the criteria consistently – which were very broad when the policy was introduced – whilst others welcome the opportunity it provides to provide appropriate compensation to officers in the most onerous posts. Some forces have stated that it would be impossible to conduct a national job evaluation scheme (which would be required to ensure consistency between forces) for chief superintendent roles.
- 7.2.99 When it was first introduced, although there was no explicit quota for the number of posts which would qualify for the allowance, it was anticipated that about 15% of chief superintendent posts would qualify<sup>180</sup>. In 2008, the most recent figures available, 44% of chief superintendents received the allowance. With nearly half of chief superintendents in receipt of it, it appears clear that the post-related allowance has gone beyond what was originally intended and is contributing towards wage inflation at the chief superintendent rank. It has, in effect, created two classes of chief superintendent. It will not be affordable in the medium- and long-term, as force practices diverge and pressure increases to use the post-related allowance more widely in order to compensate for public sector wage restraint. This pressure is likely to become particularly acute in circumstances in which, as the Hay Group data indicate, the number of chief superintendent posts is shrinking and the job weight is, on average, increasing (albeit only marginally thus far, but given the financial pressure forces face in the short and medium term, job weight may increase significantly).
- 7.2.100 Because of the likely increase in job weight of all jobs at chief superintendent rank, the money spent nationally on the post-related allowance should be consolidated into the basic pay of all chief superintendents. This will remove the discrepancies in the present situation in which the police service effectively has two-tiers of chief superintendents in some forces, whilst other forces, which do not have any PRA-roles, have just one type of chief superintendent. This risks becoming divisive at a time of reduced budgets and more limited opportunities for promotion.
- 7.2.101 The removal of bonuses and double increments for chief superintendents, as recommended in Chapter 8, should not result in a smaller portion of total police pay going towards remuneration of the chief superintendent rank. For this reason, I recommend that the money spent nationally on their bonuses and double increments be reinvested in basic pay, with a reduction to take account of higher employer pension contributions.
- 7.2.102 I recommend that the chief superintendent rank should have a revised three-point pay scale with a skills threshold at the maximum pay point. The principle that people should be paid for the skills they have and are applying in their work should apply to the chief superintendent rank just as it does to the ranks beneath. The chief superintendent salary at each pay point should be adjusted to take account of my recommendations on bonuses, double increments and the PRA. The maximum should be equal to the current maximum plus an amount equivalent to the post-related allowance, and bonus and double increment spend, after which there should be a deduction of the force's pension contributions. These rewards will become pensionable, as a part of basic pay, giving chief superintendents a long term benefit.

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180 PNB Circular 03/18, page 4

- 7.2.103 The recommended new pay scale is set out in Table 7.39, and includes an amount equivalent to the post-related allowance, bonus and double-increment spend.

<b>Table 7.39: Recommended pay scale for chief superintendents</b>	
<b>Pay point</b>	<b>Salary (£)</b>
1	£77,215
2	£79,830
3 (Skills Threshold)	£81,457

- 7.2.104 The new payscale should be introduced in April 2014. It will be for the Police Professional Body to set the curriculum and test for the skills threshold. In the years before the test is introduced, those who have spent a year at pay point 2 should be able to move to the pay maximum on the basis of that year's service and an annual appraisal box marking that is at least satisfactory.
- 7.2.105 Existing chief superintendents should move on to the new scale whenever they are next due to advance a pay increment from 1 April 2014 onwards. Table 7.40 below shows the pay point of the recommended pay scale on to which chief superintendents should move when they advance a pay increment on or after 1 April 2014. Chief superintendents who are already at the pay maximum should move to the new pay maximum once they have served at least a year on the current pay point 3, and have received at least a satisfactory box marking in their end of year appraisal. This approach will ensure that no chief superintendent loses basic pay as a result of this change.

<b>Table 7.40: Transitional arrangements for the movement of chief superintendents on to the recommended pay scale</b>	
<b>Position on the existing pay scale</b>	<b>Position on the recommended pay scale to which chief superintendents should move at their first post-1 April 2014 pay progression</b>
1 (£74,394)	2 (£79,830)
2 (£76,509)	3 (£81,457)

- 7.2.106 This recommendation will have minimal implications for bureaucracy. Forces will need to change the rates of pay for some of the officers in the superintending ranks, but since these officers' pay would be changing in the future in any case (either because of movement through incremental scales, or general pay uplifts) this is unlikely to cause much, if any, additional work.
- 7.2.107 This recommendation is cost-neutral as the savings made in the recommendations on abolishing the post-related allowance, and bonuses and double increments in Chapter 8, would be reinvested into basic pay, less the employer's pension contribution costs.

*Pay differential between chief superintendents and ACCs*

- 7.2.108 It is important that the relationship between the pay of the superintending ranks is set at a level which ensures an appropriately large differential between the pay of chief inspectors and superintendents, and between chief superintendents and ACCs. This is because there is a significant increase in responsibility on promotion from the Federated ranks into the superintending ranks, and again from the superintending ranks into the chief officer ranks. The pay differential should reflect the changes in the weight of the job, and serve as a sufficiently attractive reward to encourage the best candidates to seek promotion into a more demanding rank.

- 7.2.109 The gap in pay between the top of the chief inspector pay scale (£53,919) and the bottom of the superintendent pay scale (£62,298) is significant, representing a 16% pay increase. Consultation respondents have not identified this as a problem.
- 7.2.110 The gap in pay between the top of the chief superintendent pay scale (£78,636) and the bottom of the ACC pay scale (£90,726) represents a 15% pay increase for those who are promoted. The gap becomes much smaller when account is taken of the effect of the post-related allowance and the chief superintendents' bonus. A chief superintendent at the top of his pay scale, receiving both the post-related allowance and a bonus at 5% of basic pay, can earn as much as £87,568. That leaves a pay gap of just £3,000 between the pay maximum for a chief superintendent and the bottom of the ACC pay scale. Since it is precisely those chief superintendents who receive performance bonuses and perform the most onerous roles that should be making the step up to ACC, the existing pay differential is too small to reflect the changes in the weight of the job, and serve as a sufficiently attractive reward to encourage the best candidates to seek promotion to ACC.
- 7.2.111 There are two options for increasing the gap between the pay of chief superintendents and ACCs. The first is a reduction in the maximum pay of chief superintendents. The second is an increase in the minimum pay of ACCs.
- 7.2.112 Whilst close and precise comparisons between the pay of police ranks and other occupations in the private and public sector are extremely difficult to do, broad comparisons are a helpful indicator of where police pay should be set. The Hay Group research submitted by the Police Superintendents' Association shows that the job weight of superintendents has only marginally increased in recent years. The pay comparison between the most onerous chief superintendent roles and comparable private and public sector occupations shows that chief superintendents are paid below the median rate of private sector comparators, both in their basic pay and in their total remuneration (which includes bonus payments and pensions). They are paid at or just below the public sector median in their basic pay, but at or above the public sector median in terms of total remuneration<sup>181</sup>.
- 7.2.113 The Hay Group research submitted by CPOSA showed that ACCs are paid below the private sector median in both their basic pay and their total remuneration. ACCs are paid at or below the median of their public sector comparators in their base salary, but at or above the median of their public sector comparators in their total remuneration<sup>182</sup>.
- 7.2.114 These results indicate that chief superintendents in the most onerous jobs and ACCs are both paid at about the same rate in comparison with other occupations, taking private and public sector comparators into account. It appears that this is broadly correct. Less onerous chief superintendent jobs are paid comparatively better, but this comparison should carry less weight because it is the most onerous chief superintendent jobs that are the most appropriate comparison, because it is from those roles that future ACCs will usually be drawn.
- 7.2.115 Consideration must also be given to the representations made by CPOSA and the Police Superintendents' Association about the changes made in 2010 to tax relief on pension contributions, and their argument that these changes have created a disincentive for chief superintendents to apply for promotion to ACC. It is clear that these changes have made a difference to the total remuneration package for ACCs, and therefore have made ACC rank less attractive.
- 7.2.116 For these reasons, the pay of ACCs should be reviewed with a mind to increasing the minimum rate.

#### *Assistant Chief Constables' pay*

- 7.2.117 Part 1 recommended that ACCs should move onto a spot rate of pay which reflects the weight of the job, as already happens for DCCs and Chief Constables. Consultation respondents have provided a range of suggestions as to how a spot rate for ACCs might be determined, and there

<sup>181</sup> Police Superintendents' Association submission, annex A, pages 25-30

<sup>182</sup> CPOSA submission, annexed Hay Group report, pages 18-23

were several views as to whether ACCs should have a spot rate of pay. The principle that people should be paid according to the weight of the job they do remains a sound one. However, it is recognised that there are a variety of considerations which should be taken into account in giving practical effect to it.

- 7.2.118 APACE, amongst others, suggests that ACC salaries could be set as a specified proportion of the Chief Constables' salary, but suggests that any such system should serve only as a cap, with local discretion in the setting of actual rates of pay for ACCs. It argues for a more flexible system to tackle current recruitment problems in chief officer ranks. The APA suggests that chief officer pay should be determined on the basis of the complexity and risk profile of each individual job. CPOSA opposes spot rates for ACCs, and argues instead for a pay scale at this rank.
- 7.2.119 As discussed above, it is important that the pay of ACCs is set at a level that produces an appropriate gap between the pay of the top-earning chief superintendents beneath, and the lowest paid DCCs above. Pay gaps are important to ensure that there is a sufficient incentive to encourage officers to apply for promotion into more demanding roles. The fact that chief superintendents are on national rates of pay, and DCCs are on variable, force-weighted spot rates of pay, makes the positioning of ACCs' pay particularly complex.
- 7.2.120 There are three approaches that could be taken to establish a spot rate for ACCs:
- individual job evaluation in every force, with a mechanism for relating job evaluation scores to a force-level or national rate of pay;
  - paying ACCs a percentage of the Chief Constable's salary; or
  - establishing a single national spot rate for ACCs.
- 7.2.121 Individual job evaluation would produce the most accurate weighting of each ACC job relative to the other ACC jobs in each force. It would therefore be the best way of ensuring that ACCs are paid according to the weight of the jobs they do.
- 7.2.122 There are some significant disadvantages in a job evaluation approach. Introducing different rates of pay for each ACC role within a force may make it more difficult for a Chief Constable to move ACCs flexibly between portfolios, either for their professional development or to meet operational demands, because to do so would reduce some ACCs' pay. Different rates of pay within forces may also jeopardise relations between ACCs in the force, who have shared areas of responsibility, not least that of on-call duties. This approach would also be subject to the criticisms made of the post-related allowance. There may be a lack of national consistency in job evaluation, and a lack of consistency in translating job evaluation scores into a salary. This may make it harder for certain forces to recruit the ACCs they need (for example, if they pay ACCs at a lower rate than other forces). The fact that some ACC roles (typically in smaller forces) are very broad, whilst others (typically in larger forces) are narrower, but more specialised, makes fair comparison between roles extremely difficult. For these reasons, this approach is not recommended.
- 7.2.123 Determining the rate of an ACC's pay by linking it to the pay of the Chief Constable (for example, by paying an ACC 60% of the Chief Constable's salary) received support from some consultation respondents. Such a regime would remove the need for job evaluation, give each ACC in the force the same rate of pay, and use the force ranking produced for Chief Constables' pay as a proxy measure of ACCs' job weight. This approach would allow an appropriate gap between ACC and DCC pay to be maintained within each force. It would result in ACCs in the largest forces being paid the most, as is the case with Chief Constables and DCCs.
- 7.2.124 The problem with this approach, as CPOSA has pointed out, is that there is usually more than one ACC in each force. This means that the direct relationship between force area and job weight does not exist in the way that it does for Chief Constables and DCCs. A small force may have a single ACC, whereas larger forces tend to have two or more ACCs. It would be unfair for an ACC whose job covers the whole span of a small force to be paid less than an ACC

whose job covers just one aspect of the work of a larger force. The single ACC in the small force may be carrying the heavier load.

- 7.2.125 A further problem with this approach is that it would create perhaps severe problems in smaller forces in maintaining an appropriate pay gap between the top of the chief superintendent's pay scale and the ACC spot rate. This could make it difficult for smaller forces to recruit ACCs. It would also be likely to lead to higher rates of turnover of ACCs, as those in smaller forces seek higher pay in larger forces.
- 7.2.126 The third approach to establishing spot rate of pay for ACCs would be to determine a single national spot rate for all ACCs. This would overcome many of the difficulties identified with the other two approaches, but it fails to address the fundamental point that pay should reflect the weight of the job, since a national spot rate would have to be paid at the same rate to all ACCs regardless of the weight of the job. This would be unfair, and is not recommended.
- 7.2.127 Since the disadvantages of a spot rate of pay based on the weight of the job for ACCs outweigh the benefits, I recommend that ACCs should stay on a single national rate. That national rate should be a payscale rather than a spot rate. Since a spot rate cannot be related to the weight of the job, a pay scale is preferable, because it accounts for the time over which increases in experience lead to greater competence and, through contribution-related pay progression, incentivises high performance.
- 7.2.128 The current, six-point ACC pay scale is too long. I do not accept that ACCs gain additional competence from the acquisition of experience over a longer period of time than the superintending ranks. For this reason, the ACC pay scale should be compressed to a three-point pay scale, the same length as that of chief inspectors and the superintending ranks. In order to keep an appreciable pay gap between ACCs and chief superintendents, the new ACC pay scale should start at what is currently the second pay point of the ACC scale (£93,753). The current maximum (£105,849) should be maintained, both because the Hay Group research shows that ACCs are paid at the right level in relation to their public sector comparators, and in order to maintain an appropriate pay gap between ACCs and DCCs. The current pay point 4 should become the new pay point 2 (£99,798). Table 7.41 below shows the recommended new pay scale for ACCs.

<b>Table 7.41: Recommended pay scale for Assistant Chief Constables</b>	
<b>Pay point</b>	<b>Salary (£)</b>
1	£93,753
2	£99,798
3	£105,849

- 7.2.129 The new ACC pay scale should be phased in from April 2014, at the same time as the changes to the chief superintendents' pay scale, in order to ensure an appropriate pay differential between chief superintendents and ACCs is maintained throughout the transition period. The new pay scale should be created by removing pay points 1, 3, and 5 from the existing pay scale on 1 April 2014, 2015, and 2016 respectively. This approach is consistent with that adopted for constables and ensures that the recommendation is affordable. Officers who are on a pay point at the time at which it is removed should remain on that pay point until they are due to progress, in the normal way, up to the next pay point. For example, an officer who is on pay point 3 on 1 April 2015 should remain on pay point 3 until he has spent a year at that pay point and has received at least a satisfactory box marking in his annual appraisal, at which point he should progress to pay point 4.
- 7.2.130 The effect of the removal of pay points 1, 3 and 5 is set out in Table 7.42 below. No ACC will lose pay as a result of this change; some will gain through having a faster route to the pay maximum.

**Table 7.42: Effect of removing pay points 1, 3 and 5 from the ACC pay scale.**

Pay progression as of 1 April 2014 (pay point 1 removed)		Pay progression as of 1 April 2015 (pay point 3 removed)		Pay progression as of 1 April 2015 (pay point 5 removed)	
From pay point	To pay point	From pay point	To pay point	From pay point	To pay point
1	2	1	2	1	2
2	3	2	4	2	4
3	4	3	4	3	4
4	5	4	5	4	6
5	6	5	6	5	6

- 7.2.131 Pay increases for ACCs, even those as modest as those proposed here, must be justified when other ranks face either pay reductions or no change. There are two reasons to give ACCs a small salary increase. First, in order to maintain the pay differential between chief superintendents and ACCs, an increase at the minimum for ACCs is necessary, as the chief superintendents' maximum salary is increasing due to the reinvestment of bonuses, double increments, and the PRA into basic pay. Secondly, a small increase is justified because the ACC rank must be kept attractive to incentivise applications from the most able officers. ACC is the first of the chief officer ranks, from which future leaders of police forces will be drawn. It is critical that the best officers in the superintending ranks move up into the rank of ACC, where the pressures and demands are new and considerable.
- 7.2.132 This recommendation will have a minimal effect on the bureaucracy required of the police service. Forces will need to make changes to the rate of pay for a very small number of officers who would, in any case, be subject to pay revisions as they move through the existing pay scale.
- 7.2.133 This recommendation will have a total cost of approximately £180,000 per year, from 2014/15 to 2017/18.
- 7.2.134 This recommendation will have either no effect, or a small positive effect on equality, as shorter pay scales tend to result in smaller pay differences between male and female officers. Men tend to be overrepresented at the top of long pay scales because women take breaks from their careers for childbirth and childcare. A shorter ACC pay scale will reduce the likelihood of gender pay differences at this rank.

#### *Deputy Chief Constables' basic pay*

- 7.2.135 CPOSA argues that DCCs are paid too little. They say that forces are facing appreciable recruitment problems, and that small forces, in particular, are struggling to recruit DCCs. CPOSA ascribes this to two factors: the small pay gap between the top of the ACC pay scale and DCC pay in smaller forces (as low as £3,000 in some cases), and the changes to pension tax arrangements that have reduced the total earnings of senior police officers.
- 7.2.136 At present, the pay of DCCs is set using a force-based proxy for the weight of the job. This is the right approach because it ensures that pay is linked to the size and complexity of the role performed by each DCC. The Hay Group pay comparison data submitted by CPOSA shows that whilst DCCs have relatively low earnings compared with private sector comparators, they are paid at about the same level as their public sector comparators. The public sector is the correct comparator in this case. It is common in the upper echelons of the public sector to find that senior roles are paid at levels which are relatively lower than a job of the same weight in the private sector. That is a function of work in the public sector, and there is no compelling reason why DCCs should be in a materially more advantageous position.

- 7.2.137 The Senior Appointments Panel in the Home Office provided the review with previously unpublished data on the number of applications for chief officer vacancies, across all forces in England and Wales, in the period 2007 to 2011 (shown in Table 7.35). They indicate that the number of applicants for DCC posts in smaller forces is no lower than the number of applicants for DCC posts in larger forces. They also indicate that there is no particular difficulty in attracting applicants for DCC jobs as opposed to Chief Constable or ACC jobs.
- 7.2.138 Even if the data that the Home Office provided were established to be inaccurate, raising the pay of DCCs in the smallest forces only – those forces which CPOSA argues have a recruitment problem – would distort the force-based weighting system. Jobs in the smaller forces would receive the same pay as jobs in larger forces. This would not be sustainable, as it would undermine the rationale for all Chief Constable and Deputy Chief Constable salaries. Yet raising the pay of all DCCs is not a viable solution when the problem only applies in smaller forces.
- 7.2.139 Whilst I recognise that some forces face difficulties, the review has found no unfilled DCC posts. A significant part of the problem identified by CPOSA appears to be caused by changes to pension tax arrangements, which are beyond the scope of the review. I recommend, therefore, that no changes be made to DCC pay in the short-term. In Chapter 10, I recommend that, in the future, DCC pay should be reviewed by the Senior Salaries Review Body (SSRB). The SSRB should be able to give close and detailed attention to the issue of chief officer pay, which has not always been the case in the PNB, which has tended to focus its attention on other ranks.
- 7.2.140 Under the Police Reform and Social Responsibility Act 2011, Chief Constables will be responsible for recruiting their own chief officer teams of ACCs and DCCs. They will have the power to determine the terms and conditions for their ACCs and DCCs, including benefits-in-kind and relocation packages. It is important that fairness to the taxpayer is maintained at all times. That is why I recommended in Part 1 that police authorities should publish details of all benefits for chief officers and their values in their annual reports, itemised by officer. This responsibility will pass to PCCs once they are elected in November 2012.

**Recommendation 59 – The national spend on bonuses and double increments for superintendents should be reinvested into a revised three-point pay scale for superintendents, with a starting salary of £60,094 and a maximum of £72,585 from April 2014.**

**Recommendation 60 – The post-related allowance for chief superintendents should be abolished. The cost of the post-related allowance, bonus payments and double-increments, should be reinvested into a revised basic pay scale for chief superintendents with a starting salary of £77,215 and a maximum of £81,457 from April 2014.**

**Recommendation 61 – Assistant Chief Constables should remain on a single national pay scale.**

**Recommendation 62 – The pay scale for Assistant Chief Constables should be replaced with a three-point pay scale. It should start at £93,753 have a second pay point at £99,798 and a maximum of £105,849. Existing pay points 1, 3 and 5 should be removed in April 2014, 2015 and 2016 respectively**

**Recommendation 63 – The pay of Deputy Chief Constables should remain unchanged in the short-term.**

## 7.3 Basic pay for Chief Constables

### Background

#### *History*

- 7.3.1 The Metropolitan Police Act 1829 established “a new police office for the metropolis” and “two persons as justices to conduct the business of the office”<sup>183</sup>. The justices soon came to be known as “commissioners of police”<sup>184</sup>.
- 7.3.2 Peel appointed the first commissioners of police. He chose an ex-soldier, Colonel Charles Rowan, to maintain discipline, and Richard Mayne, a barrister, for his legal expertise<sup>185</sup>. The first commissioners were paid £800 *per annum*.
- 7.3.3 The Municipal Corporations Act 1835 established police forces in the boroughs of England and Wales. The Act was silent on who should control each police force, with no mention of the term ‘Chief Constable’<sup>186</sup>. There was no national structure for the pay of chief officers in the boroughs, leaving local areas free to set pay at their own rates.
- 7.3.4 The Home Secretary set the pay for the Chief Constables of county (but not city or borough) forces through secondary legislation made under the County Police Act 1839. The first such pay scale was introduced in 1839 and set parameters for Chief Constable pay, with a minimum of £250 and a maximum of £500 *per annum*. Each county force was free to choose a pay rate within these broad guidelines.
- 7.3.5 Chief Constable pay varied widely in the 19th century. In 1857, the Chief Constable of Liverpool, the second largest force after the Metropolitan Police, was paid £650 *per annum*. Yet some boroughs paid their Chief Constable as little as £40 *per annum*, with other very small forces paying much less than this<sup>187</sup>.

#### *The Desborough Committee 1920*

- 7.3.6 Desborough found that Chief Constable salaries “appear to have been fixed with little or no regard to the salaries paid to other Chief Constables in command of forces of about the same strength and with similar responsibilities” and recommended that they be revised<sup>188</sup>. In order to encourage standardisation of pay, Desborough recommended that Chief Constables’ pay should be subject to the approval of the Home Office<sup>189</sup>.
- 7.3.7 Desborough did not consider it possible to set pay rates for Chief Constables due to the variations in the size of forces in towns and counties with similar populations. Instead, Desborough set minimum rates, based on the size of the force and the population of the borough. These minimum salary levels ranged from £350 *per annum* for the smallest forces up to £900 *per annum* for the largest. He recommended that Chief Constable salaries rise in fixed increments based on duration of service. Desborough said that Chief Constables in the Metropolitan police should be on a pay scale starting at £800 rising to £1,000 *per annum*<sup>190</sup>.

#### *The Oaksey Committee 1949*

- 7.3.8 In 1947, there was a separate report on Chief Constables’ pay. Therefore, the Oaksey Committee in 1948 followed that report’s recommendations concerning the grouping of Chief Constables’ posts for the purposes of pay. This approach related pay to the number of officers in the force and the pay *maxima* for each group<sup>191</sup>. Oaksey recommended that the minima be

183 Section 1 of the Metropolitan Police Act 1829

184 Critchley, page 51

185 *ibid.* page 51

186 *ibid.* page 66

187 *ibid.* page 141

188 Desborough report, paragraph 53

189 *ibid.* paragraph 53

190 *ibid.* paragraphs 55–56

191 Oaksey report, paragraph 56

increased, and the pay scales shortened, to give Chief Constables a pay increase along with that recommended for all the other ranks<sup>192</sup>.

- 7.3.9 Oaksey recommended a flat or spot rate of pay for the Chief Constables of the largest forces<sup>193</sup>. Chief Constables of forces with over 1,200 officers were to receive a spot rate of pay. The spot rate was set at £200 higher than the *maxima* of the preceding pay scale.

#### *The Edmund-Davies report 1978*

- 7.3.10 Lord Edmund-Davies' report recommended that the link, first established in 1961, between Chief Constables' pay and that of chief officers in local government should be abolished<sup>194</sup>. This was on the basis that the Chief Constable's role had become more demanding since 1961, and the impossibility (as he saw it) of comparing the police with any other group of workers for pay purposes.
- 7.3.11 Edmund-Davies instead recommended that all Chief Constables should have fixed-point salaries. This, he argued, would overcome problems with the minimum salary structure that had been introduced previously for ACCs and DCCs as an expedient to ensure they always received a pay increase on promotion<sup>195</sup>.
- 7.3.12 The factors that the Edmund-Davies Committee members took into account when considering Chief Constables' pay was set out in the report. The Committee:

*“weigh[ed] all the factors relevant to the police (responsibilities, pay of lower ranks, etc); t[ook] into account the fact that chief officers of police have not had a [recent] pay review; form[ed] a broad view of what was happening elsewhere; and then ma[d]e a judgment”<sup>196</sup>.*

- 7.3.13 Edmund-Davies set new pay levels for Chief Constables, on a revised set of salary bands that related Chief Constables' pay to the population of their force area (this system had first been introduced in 1961, replacing the earlier model that related pay to the number of officers in the force)<sup>197</sup>. The new pay bands gave Chief Constables on average a 45% pay increase.
- 7.3.14 The salary of the Metropolitan Police Commissioner was to remain linked to that of the Permanent Secretary of the Home Office, with the proviso that the Commissioner should, in future, “have the benefit of free quarters or a rent allowance in lieu” as Chief Constables already did<sup>198</sup>.

#### *The Sheehy Report 1993*

- 7.3.15 Unlike earlier reports on police pay, the 1993 Committee of Inquiry chaired by Sir Patrick Sheehy believed it to be possible to “establish broad market comparisons in respect of basic pay” for Chief Constables<sup>199</sup>. Sheehy recommended the establishment of a single 12-point pay scale for Chief Constables that would break the link with population in the force area. Instead, police authorities would be free to place the Chief Constable at whichever point on the pay scale they considered appropriate, having taken account of:
- the responsibilities to be carried out in the particular post, with particular reference to the size of the budget to be managed;
  - the experience and skills required for the particular post; and
  - the experience and skills of the individual<sup>200</sup>.

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192 *ibid.* paragraph 56

193 *ibid.* paragraph 56

194 Edmund-Davies report (2), paragraph 186

195 *ibid.* paragraph 191

196 *ibid.* paragraph 194

197 *ibid.* Appendix XI

198 *ibid.* paragraph 200

199 Sheehy report, paragraph 2.20

200 *ibid.* paragraph 5.32

- 7.3.16 Under Sheehy's recommendations, Chief Constables would be paid a spot-rate chosen from the 12-point pay scale. The scale had a minimum of £51,107 and a maximum of £76,661. This represented a pay increase of approximately six *per cent* at the top end of the scale, a pay decrease of approximately eight *per cent* at the bottom, and no change at the median.
- 7.3.17 Sheehy found that Chief Constables' salaries were below the median for comparable occupations in other fields. He therefore recommended that the Chief Constable pay scale be moved up towards the median over the next three to five years<sup>201</sup>. He also recommended a bonus system for Chief Constables, which is discussed in greater detail in Chapter 8.
- 7.3.18 Sheehy recommended that the pay of the Metropolitan Police Commissioner should be de-coupled from the pay of the Permanent Secretary of the Home Office, on the basis that the "special features of policing mean that the jobs are not comparable". Further, Sheehy considered that some of the responsibilities of the Permanent Secretary had been 'reallocated' since the link was first established, making the link invalid<sup>202</sup>. Sheehy also recommended that the Commissioner's salary should no longer be subject to the recommendations of the Top Salaries Review Body, and should instead be linked to changes in other Chief Constable pay. This was to ensure that the differential between the Commissioner and other Chief Constables established by Sheehy was maintained in the future<sup>203</sup>.
- 7.3.19 Most of Sheehy's recommendations, including those relating to pay for senior officers, were not accepted by the Home Office and were never implemented. One proposal that was put into effect was the recommendation to remove the pay of the Commissioner of the Metropolitan Police from the remit of the Top Salaries Review Body and link it instead to future changes in the pay of all Chief Constables.

#### *Recent developments*

- 7.3.20 The 2004 pay agreement introduced a new pay structure for Chief Constables<sup>204</sup>. The previous system for determining the pay of the Chief Constable in each force was based solely on the population of the force area. The larger the population of the force area, the higher the pay of the Chief Constable. The new pay structure was based on a force weighting system that reflected a wider range of factors, namely call management, crime management, traffic management, public order management and public reassurance, community policing management, patrol management, security-related expenditure and the sparsity of the population in the force area.
- 7.3.21 In practice, the Chief Constables of the forces with the largest populations remained at the top of the pay structure. The new pay structure gave most Chief Constables a pay increase. For 14 forces, the Chief Constable's pay on the new structure was below that paid to the current incumbent. In such cases, the Chief Constable's pay was protected for the duration of his service.

#### *Status quo*

- 7.3.22 Chief Constables are paid spot rates with no incremental progression. The spot rate is set nationally, with each force given a weighted score based on the criteria stated above, which relate to the size of the population in the force area, and the type of policing challenges faced by the force. Along with Deputy Chief Constables, Chief Constables are the only police officers under the fixed term appointment (FTA) arrangements. The first such contract on appointment may last for up to five years. Thereafter, it may be renewed for up to three years, and on an annual basis thereafter, with the approval of the Home Secretary.
- 7.3.23 The current Chief Constables' pay structure is set out in Tables 7.43 and 7.44.

201 *ibid.* paragraph 7.26

202 *ibid.* paragraph 7.30

203 *ibid.* paragraph 7.31

204 *PNB Circular 04/05*

<b>Table 7.43: Commissioner, Assistant and Deputy Assistant Commissioner salaries</b>	
<b>Force – London</b>	<b>Salary (2010)</b>
Metropolitan Police Commissioner	£260,088
Metropolitan Police Deputy Commissioner	£214,722
City of London Commissioner	£160,092
City of London Assistant Commissioner	£132,714
Metropolitan Police Assistant Commissioners (4 of them)	£181,455
Metropolitan Police Deputy Assistant Commissioners (8 of them)	£139,119

*Source: Police Regulations and Determinations 2003*

<b>Table 7.44: Chief Constable and Deputy Chief Constable salaries</b>		
<b>Force – England and Wales (other than London)</b>	<b>CC Salary (2010)</b>	<b>DCC Salary (2010)</b>
West Midlands, Greater Manchester	£181,455	£139,119
West Yorkshire	£169,359	£135,489
Thames Valley	£160,290	£132,237
Merseyside, Northumbria	£157,260	£129,744
Hampshire	£154,233	£127,248
Kent, Lancashire, Devon & Cornwall	£151,215	£124,749
South Yorkshire, Essex, Avon & Somerset, Sussex, South Wales	£148,194	£122,256
Nottinghamshire	£142,143	£117,264
Hertfordshire, West Mercia, Cheshire, Humberside, Staffordshire, Leicestershire, Derbyshire	£139,119	£114,771
Surrey, Norfolk	£136,092	£112,278
Cleveland, Durham, Cambridgeshire, North Wales, North Yorkshire, Gwent, Northamptonshire, Suffolk, Dorset, Wiltshire, Bedfordshire	£133,068	£109,782
Gloucestershire, Lincolnshire, Cumbria, Warwickshire, Dyfed-Powys	£130,044	£108,873

*Source: Police Regulations and Determinations 2003*

- 7.3.24 My Part 1 report recommended that no change be made to chief officer basic pay, because the current salary scale broadly reflects the weight of the job<sup>205</sup>.
- 7.3.25 The Police Reform and Social Responsibility Act 2011 introduces significant changes to policing in England and Wales. Under this Act, there will be an elected police and crime commissioner (PCC) for every force area in England and Wales. Once elected in November 2012, each PCC will be responsible for the recruitment of his Chief Constable, he will have the power to hold the Chief Constable to account for his performance, and, ultimately,

<sup>205</sup> Part 1 report, page 113

under section 38 of the Act, he will be empowered to remove the Chief Constable if he is not performing satisfactorily. To remove the Chief Constable the PCC must, under Schedule 8 of the Act, give the Chief Constable and the relevant police and crime panel his reasons, in writing, for wishing to do so. The PCC must consider the Chief Constable's written representations and the police and crime panel's recommendation. If, after that, the PCC still wishes to call upon the Chief Constable to retire or resign under section 38 of the Act, the Chief Constable must do so. The Act does not confer any specific powers on the PCC relating to the Chief Constable's basic pay.

### Analysis

- 7.3.26 By the time a police officer reaches the highest point of his career – his promotion to Chief Constable – his basic pay is unlikely to be the primary factor in his recruitment and retention. His own sense of vocation and professionalism, the prestige of running a police force, and, probably most importantly, his determination to make a material improvement in the safety, security and confidence of the public he serves, are materially more powerful motivations. Further, a Chief Constable can be paid bonuses, expenses, and in-kind benefits on top of his basic salary. The fact that Chief Constables are drawn from such a narrow pool of potential candidates further limits the value of recruitment and retention data in an analysis of Chief Constables' basic salary, as police authorities are competing to attract the best candidates in a very limited labour market.
- 7.3.27 Comparisons with other senior managers in the public sector are not precise as no one job directly matches that of Chief Constable. However, many of the skills required to lead large public sector organisations are common to both Chief Constables and other senior executives elsewhere in the public sector, making a broad comparison valid.
- 7.3.28 Professor Disney's report on police officer remuneration for Part 1 established that the pay of public sector comparators is broadly aligned with the pay of Chief Constables. The pay of Chief Constables was at one time linked to that of local authority chief executives. There have been significant increases in the pay of local government chief executives in some cases in recent years, as local authorities have had the freedom to pay whatever they see fit. This has led to salary inflation in local government that has outstripped increases in Chief Constables' basic pay. It has also led to shorter periods of tenure of chief executives where performance targets have not been met<sup>206</sup>.
- 7.3.29 Table 7.45 sets out the pay of the most senior executives in the NHS, armed forces, and the civil service, and in the judiciary. It does not purport to provide a direct comparison in any single case, but does indicate that Chief Constables are paid at a similar level to other senior public sector executives and judges.

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206 Part 1 report, page 251

<b>Table 7.45: Senior salaries in the public sector</b>			
<b>Sector and Job</b>	<b>Approximate number of posts, 2010</b>	<b>Minimum, or spot rate (£)</b>	<b>Maximum (£)</b>
<b>NHS</b>			
Primary Care Trust Chief Executive	152	£105,315	£149,657
Strategic Health Authority Chief Executive	10	£161,091	£182,570
<b>Armed forces</b>			
Chief of the Defence Staff	1	£238,123	£252,698
4-star officer	10	£165,284	£185,184
3-star officer	28	£125,908	£152,642
<b>Senior Civil Service</b>			
Permanent Secretary	41	£141,800	£277,300
Grade 3 SCS	169	£101,500	£208,100
<b>Judiciary</b>			
Lord Chief Justice	1	£239,845	N/A
Lord Chief Justice of Northern Ireland Lord President of the Court of Session Master of the Rolls President of the Supreme Court	4	£214,165	N/A
High Court Judges High Court Judges (Northern Ireland) Outer House Judges of the Court of Session Vice-Chancellor of the County Palatine of Lancaster	140	£172,753	N/A
<small>Source: <i>Thirty-Third Report on Senior Salaries, Review Body on Senior Salaries, 2011.</i></small>			

- 7.3.30 It is notable, therefore, that the salary of the Commissioner of the Metropolitan Police is higher than those of the Lord Chief Justice and the President of the Supreme Court, and some Chief Constables are paid more than judges of the High Court.
- 7.3.31 Table 7.46 below shows the number of applicants for Chief Constable vacancies from 2007 to 2011. Table 7.47 shows the number of applicants for Chief Constable vacancies by force size over the same period. These data are unpublished and have not been verified with forces, but are useful for illustrative purposes.

**Table 7.46: Average number of applicants for Chief Constable vacancies by year, 2007 – 11**

Year	Posts	Applicants	Average applicants per post
2007	10	35	3.5
2008	8	27	3.4
2009	17	60	3.5
2010	10	35	3.5
2011	10	30	3

*Source: Unpublished Home Office management information*

**Table 7.47: Average number of applicants for Chief Constable vacancies by force size, 2007 – 11**

Force size <sup>207</sup>	Posts	Applicants	Average applicants per post
London forces	13	47	3.6
Group 1	3	7	2.3
Group 2	6	28	4.7
Group 3	14	46	3.3
Group 4	17	53	3.1

*Source: Unpublished Home Office management information*

- 7.3.32 These data suggest that the number of applicants per post has remained steady over the last five years, albeit with a small reduction in 2011 compared with the preceding four years. They do not show any clear correlation between force size and the number of applicants, with the lowest number of applicants per post occurring in the largest non-London forces.

## Consultation

### *Response by the Association of Police Authorities*

- 7.3.33 The APA proposes the creation of “an agreed national charter of principles governing the actions and behaviours of PCCs [and] chief officers in their approach to the design and makeup of remuneration packages”<sup>208</sup>. The APA notes that, at present, police authorities use non-transparent methods, such as generous relocation packages, to attract the best candidates. This has led, it argues, to wage inflation at chief officer level, despite the national basic pay framework.
- 7.3.34 The APA says that chief officer pay should be determined through a mixture of ‘recruitment economics’, action to increase the pool of high quality candidates for chief officer posts, and

<sup>207</sup> Forces were divided into five groups on the basis of their size, as determined by the force weightings used to determine Chief Constable pay. The groupings are as follows:

- **London forces** – Metropolitan Police Service and the City of London Police
- **Group 1** – West Midlands, Greater Manchester, West Yorkshire and Thames Valley
- **Group 2** – Merseyside, Northumbria, Hampshire, Kent, Lancashire and Devon and Cornwall
- **Group 3** – South Yorkshire, Essex, Avon and Somerset, Sussex, South Wales, Nottinghamshire, Hertfordshire, West Mercia, Cheshire, Humberside, Staffordshire, Leicestershire and Derbyshire
- **Group 4** – Surrey, Norfolk, Cleveland, Durham, Cambridgeshire, North Wales, North Yorkshire, Gwent, Northamptonshire, Suffolk, Dorset, Wiltshire, Bedfordshire, Gloucestershire, Lincolnshire, Cumbria, Warwickshire and Dyfed Powys

<sup>208</sup> APA submission, page 26

national wage control structures. It argues that this would give local areas some flexibility to set attractive rates of remuneration, whilst preventing a ‘free for all’ that would lead to wage inflation.

*Response by the Association of Police Authority Chief Executives*

- 7.3.35 Like the APA, APACE describes the *status quo* in negative terms, with police authorities using relocation packages to increase chief officer pay whilst remaining within the terms of the national pay structure for Chief Constables.
- 7.3.36 APACE suggests that these problems could be magnified “if individual PCCs see merit in seeking to offer locally tailored packages to recruit a suitable Chief Constable”<sup>209</sup>.
- 7.3.37 APACE opposes the notion that chief officer pay should be determined at force level, and argues for a national structure that is sufficiently sophisticated to address the relatively diverse circumstances of forces. It suggests that local supplements might be permissible within a national framework. APACE says that PCCs themselves would be best placed to create and maintain a national pay framework for Chief Constables.
- 7.3.38 APACE says that if there is to be an element of local discretion in setting Chief Constables’ pay, payment of salaries must be fully transparent.

*Responses from police forces and police authorities*

- 7.3.39 Cambridgeshire Constabulary says that current rates of pay for Chief Constables are not appropriate. It says that there is a lack of competition for posts at this level, and that more movement is needed. Derbyshire Constabulary argues that a completely open system, where a PCC is free to determine a Chief Constable’s salary without limitation, “could create unhealthy competition for good candidates and drive up the rates of pay”, but notes that it could have the advantage of requiring the support of the local communities – presumably through the PCC’s democratic mandate – for chief officer pay<sup>210</sup>. Dyfed Powys Police says that the overriding consideration should simply be the recruitment of the best candidate for the job.
- 7.3.40 Leicestershire Police Authority draws the comparison with chief executive pay in local government, explaining that it is a system that started with the intention of paying the rate for better management, and led to excessive pay levels. Since Chief Constables are recruited from a relatively small pool of potential candidates, it argues that this could be a risk in policing if PCCs are given unfettered freedom to set the salaries of Chief Constables.
- 7.3.41 Staffordshire Police Authority says that Chief Constable pay should be set through a national structure in order to prevent wage inflation caused by police authorities driving up wages through competition for the best candidates. It also argues that since salary levels are not deterring the best people from rising through the ranks, there is no need to raise them, although it points out that comparisons with other senior executives in the emergency services and the wider public sector show that Chief Constables earn less than some of their comparators. West Yorkshire Police argues that unregulated pay for Chief Constables could lead to high levels of turnover at this rank, as Chief Constables could be strongly incentivised to move forces by offer of large salary increases.

*Response from the Chief Police Officers’ Staff Association*

- 7.3.42 CPOSA argues that Chief Constables’ pay has lagged behind that of their comparators in the public and private sectors in recent years, and has submitted a research study by Hay Group to provide supporting data. According to CPOSA, in base salary terms, Chief Constables are paid below the lower quartile of the range of both public sector and private sector comparators. In terms of total remuneration, which takes account of pensions and bonus payments in addition to base salary, Chief Constables are paid below the lower quartile of the private sector

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209 *Submission from Association of Police Authority Chief Executives*, September 2011, paragraph 6

210 *Submission from Derbyshire Constabulary*, September 2011, page 10

comparators' wage distribution, and below the median of the public sector comparators' wage distribution<sup>211</sup>.

- 7.3.43 CPOSA says that Chief Constable pay should be increased in order to make up this deficit, to ensure that Chief Constables are appropriately rewarded for a very demanding job, and to maintain the attractiveness to the brightest and best candidates of a career in the highest ranks of the police service. It argues that the pay structure for chief officers must offer pay incentives for taking on more responsibility through promotion to higher rank.
- 7.3.44 CPOSA supports the principle of force-weighting to determine the pay of Chief Constables, but argues for a simplified structure consisting of only four bands. CPOSA's proposed model clusters forces into four groups on the basis of population size and policing complexity, but does not suggest what the salary should be in each band.

#### *Additional consultation responses*

- 7.3.45 Reform – the think tank – argues that committed leaders with reasonable salaries are required if public services, including the police, are to be reformed. It says that arbitrary limits on the top rate of pay are a barrier to high productivity in public services.
- 7.3.46 Lord Wasserman argues for a free market approach to the appointment and remuneration of Chief Constables. He says that PCCs should have the freedom to pay whatever is required to attract the best candidate. At present, he argues, a DCC in the West Midlands earns more than the Chief Constable of 18 other forces. He is unlikely to go to those forces on promotion because in doing so he would have to accept a pay cut. This means that the smaller forces have a restricted pool from which to select their Chief Constables. However, if they were free to pay whatever rate was sufficient to attract the best candidates, they could compete equally with other forces.
- 7.3.47 Lord Wasserman says that PCCs will want to recruit the best possible Chief Constables and will pay accordingly. He recognises that this could result in higher salaries for Chief Constables but argues that this is not a concern if local people are content to pay at that rate. If the electorate thinks that the PCC has set the salary of the Chief Constable at too high a level, he will be answerable to them when he seeks re-election.

#### **Conclusion**

- 7.3.48 There are two principal questions that must be answered regarding the basic pay of Chief Constables. The first is: are they paid the right amount? Secondly, who, in the future, should be responsible for determining their salaries?
- 7.3.49 In Part 1, I recommended that there should be no change in the basic pay arrangements for Chief Constables. Professor Disney has shown, in his report *The Remuneration of the Police in the United Kingdom* for Part 1, that chief officers are paid broadly in line with their comparators elsewhere in the public sector. The pay of Chief Constables is not an issue that has been prominent in the consultation responses submitted for Part 2. However, CPOSA has provided some detailed evidence of high quality, and it is important that this issue is addressed.
- 7.3.50 The Hay Group data that CPOSA submitted show that Chief Constables, even when taking total remuneration into account (that is, pensions and bonuses as well as basic pay), are paid less than their comparators in both the public and private sectors. The private sector comparison is of less relevance. The public sector rarely matches private sector pay at senior levels, and where it does so it tends to be in posts where the public sector is directly competing with the private sector for staff with particular skills, or where people with private sector experience directly enter the public sector at a senior level. Neither of these conditions prevails in policing. The fact that Chief Constables are paid less than their comparators elsewhere in the public sector is more significant, because the comparison is closer. It might, at first sight, provide an argument for raising the pay of Chief Constables.

<sup>211</sup> CPOSA submission, page 3

- 7.3.51 Another factor which must be considered is job security. The fixed term appointment arrangements contribute to a material perception of, and anxiety about, job insecurity for some Chief Constables. This is because they may find that their appointments are not renewed after an initial five-year appointment. This can result in Chief Constables having to leave the police service before they would wish to do so. This can damage not only their careers, but also their life-time earnings, as they may not have the opportunity to build up full pension contributions.
- 7.3.52 It is not recommended that there should be an increase in Chief Constables' pay. There are two reasons for this. First, at a time when many police officers and staff are undergoing a period of pay restraint necessitated by the national financial conditions, and some are losing their jobs, it would be inappropriate for Chief Constables to receive a pay increase. Secondly, as stated throughout this report, the purpose of basic pay is to ensure that workers of the right calibre are recruited and retained. Whilst CPOSA has argued that the combination of FTAs, changes to pension tax arrangements and the failure of basic pay to keep up with comparators elsewhere has made it harder to attract applicants for Chief Constable posts, the unpublished data from the Home Office (shown in Tables 7.46 and 7.47) suggest that the number of applicants for Chief Constable posts has not declined significantly in the period 2007-11.
- 7.3.53 Whilst I am satisfied that Chief Constable basic pay should be maintained at its current rate, there is a separate question as to who should decide Chief Constable pay levels in the future. This question has been made more pressing by the passage of the Police Reform and Social Responsibility Act 2011. In November 2012, the first police and crime commissioners will be elected. They will have democratic mandates to appoint the Chief Constables in their force areas. The creation of PCCs raises an important question about the appropriate forum for the setting of Chief Constables' pay: should it be set as part of a national framework or at force level by the PCC?
- 7.3.54 The advantage of force-level pay determination for Chief Constables is that it allows PCCs to set whatever pay rate they see fit to attract and retain officers of the required calibre. In general, markets are the most efficient way of determining prices. The APA argues that 'recruitment economics' should play a part in setting the pay of Chief Constables, and Reform is opposed to what it describes as 'arbitrary' limits on the pay of senior executives in the public sector, arguing that a high salary for public servants who get the job done is money well spent. Lord Wasserman argues that giving PCCs the freedom to determine Chief Constables' pay will enable them to recruit the best candidates, and that raising their pay will improve the quality of Chief Constables. PCCs who set pay rates at a higher level than the local electorate wants will be removed at the next PCC election. This, Lord Wasserman claims, will prevent PCCs paying excessive salaries.
- 7.3.55 Giving PCCs free rein to create pay and reward packages for Chief Constables on whatever terms they see fit has material disadvantages. The potential pool of candidates for each Chief Constable vacancy is very small. Only those who have held the rank of ACC or above for at least two years are eligible to apply<sup>212</sup>. As many consultation respondents say, the most likely outcome of greater local freedom to set Chief Constables' pay is wage inflation as PCCs compete to recruit the candidates they regard as the best. The experience of local government in recent years has shown that this risk is a material one. The fact that PCCs are elected, and will therefore face the electorate every four years, does not mitigate the risk of excessive salaries. The electorate will make its decision on the candidates for the PCC posts on a wide range of factors, with the salary level of the Chief Constable likely to be of relatively low importance. Elections have not prevented local government pay escalation. Further, the fact that senior officers are motivated predominantly by public service, not money, means that increasing pay will not lead directly to increased quality in Chief Constable applicants. The existing national framework for Chief Constables' pay works well. Pay is determined using a force-weighting formula that functions as a sound proxy for a measure of the weight of the job. It ensures that Chief Constables in the most demanding posts have the highest salaries. This is consistent with the principle that people should be paid for what they do and the weights of

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212 Annex B made under Regulation 11 of the Police Regulations 2003

the jobs they do. Therefore, I see no reason to recommend change in these arrangements. In Chapter 10, I make recommendations on the role of the Senior Salaries Review Body (SSRB) in setting the pay for chief officers.

- 7.3.56 As both the APA and APACE say, there is an argument for a degree of local flexibility in setting pay and reward packages for Chief Constables, particularly when the person recruiting the Chief Constable is a locally elected PCC. To deny a PCC any discretion in this area would run against the grain of the policy which has only recently been approved by Parliament. There is therefore a balance to be struck between giving PCCs an appropriate degree of flexibility and freedom in the terms they can offer prospective Chief Constables, and the advantage of maintaining a national framework which prevents unjustifiable and harmful pay inflation at the highest rank in the police. In my judgment, that balance is achieved by giving each PCC the power, on appointment of the Chief Constable, to offer a salary which falls within a band which is ten *per cent* above or below the national scale rate for a Chief Constable in the force in question. This power should only be available when recruiting a new Chief Constable. It should not be open to the PCC to vary the Chief Constable's salary after appointment (Chapter 8 discusses the issue of at-risk pay for senior and other officers, which was raised for consideration in Part 1).
- 7.3.57 The APA, along with many other respondents, emphasises the importance of transparency in the pay arrangements for Chief Constables. If, in individual cases, PCCs are given the power to raise or lower the national rate by ten *per cent*, the need for transparency is greater still. Part 1 contained a recommendation that police authorities should publish in their annual reports details of all benefits for chief officers and their values. That recommendation should of course apply to PCCs when they take over from police authorities. I also recommend that the published information should extend to details of the salary level for the Chief Constable, and the reason why the stated salary level was chosen.
- 7.3.58 PCCs should have the power to set basic pay, within the parameters set by the national framework, as soon as they come into office in November 2012. The transparency requirements should be introduced at the same time. The SSRB should take on responsibility for setting the national framework for Chief Constables' pay as soon as it has the resources to do so, and should be ready to make recommendations for the 2014/15 pay year at the latest.
- 7.3.59 These recommendations will have a small positive effect on administration. The transparency requirements are not burdensome, and will be entered into a report which must be published anyway. A PCC's choice of pay level for a Chief Constable does not have any implications for bureaucracy. The SSRB should be able to determine the national framework for Chief Constables' basic pay with far less bureaucracy than is involved in the current arrangements with the PNB.
- 7.3.60 The cost implications of these recommendations will be determined by PCCs, who may or may not choose to use the flexibility which they contain. If all Chief Constables outside London were to be given a ten *per cent* pay increase, the total cost would be approximately £180,000 *per annum*. In the less likely event that PCCs choose to use their power to drive down Chief Constable pay, and all Chief Constables were subject to a ten *per cent* pay cut, there would be a corresponding saving of approximately £180,000 *per annum*.
- 7.3.61 Finally, I note that, if the Association of Chief Police Officers continues in its current organisational form, changes should be made to the remuneration package of the ACPO President. This is a full time post, with a term of office lasting four years. The position is not included in the police pension scheme. At present, the police officer elected as President must retire the day before he takes up the post. This may discourage those with fewer than 30 years' experience from applying as they would have to make a material financial sacrifice to do so. If the ACPO President role maintains its current status as ACPO is re-organised, I would suggest that the role is included in the police pension scheme, in order to be more attractive to younger applicants. This view is conditional upon ACPO remaining in its present form. Should it change or be merged with the new Police Professional Body, then the Home Office

should reconsider the position in the light of the actual arrangements. However, I maintain that it is necessary to widen the pool of potential applicants by removing the material financial disincentive which presently exists.

**Recommendation 64 – Police and crime commissioners should have the power to set the Chief Constable’s basic pay at any level which is up to ten *per cent* above or below the national rate for a Chief Constable in the force in question.**

**Recommendation 65 – Each police and crime commissioner should publish in his annual report the rate of basic pay agreed with the Chief Constable, and the reasons why it was set at that level, together with the details and value of all benefits received by chief officers.**

## 7.4 Basic pay for staff

### Background

#### *History*

- 7.4.1 Civilian staff in police forces have worked alongside police officers since the 19<sup>th</sup> century. Even before the foundation of the Metropolitan Police, civilian staff were employed by the Bow Street police office<sup>213</sup>. Civilian staff were present in the Metropolitan Police when it was founded in 1829, with four clerks working in the Commissioners' office and a further two working for the Receiver<sup>214</sup>.
- 7.4.2 Until 1996, police staff were local government employees in all but four forces. Their pay was settled through local government pay machinery, namely the National Joint Council for Local Government.
- 7.4.3 Police staff in the Metropolitan Police, the City of London Police, and the Kent and Surrey forces were not part of that framework. Police staff in the Metropolitan Police were Home Office employees. Their basic pay was therefore set by the Home Office. Police staff in the City of London force were employees of the City of London Corporation, and their pay was settled through the City of London Corporation's normal pay arrangements. Police staff in the Kent and Surrey forces were (and still are) outside local government structures, as the police authorities in those areas decided to negotiate different terms and conditions locally in order to reflect labour market issues in their counties.

#### *The changes to police staff employment arrangements in 1996*

- 7.4.4 In 1996, the employment of police staff was transferred from local government to police authorities, in all forces except the Kent, Surrey, Metropolitan and City of London forces. The Police Staff Council (known in 1996 as the Police Staff Support Council) was established as a forum through which police staff pay, terms and conditions could be negotiated. Further details of the Police Staff Council are in Chapter 10.
- 7.4.5 In 1996, police staff in the Metropolitan Police became employees of the Metropolitan Police Authority, but their pay and conditions have continued to be linked to those of the civil service.

#### *Status quo*

- 7.4.6 Basic pay for police staff is settled through the Police Staff Council (PSC). The national agreements of the PSC are only binding if police authorities agree to incorporate them within the contracts of employment for their employees. Forces are free to choose to implement only certain elements of PSC decisions, or none at all.

213 *The Official Encyclopedia of Scotland Yard*, M. Fido and K. Skinner, London, 1999, page 26

214 *ibid.* page 44

7.4.7 The PSC has created a national 41-point pay spine, which is set out below:

<b>Pay point</b>	<b>£pa</b>
4	14,529
5	14,913
6	15,345
7	15,774
8	16,167
9	16,551
10	16,938
11	17,316
12	17,703
13	18,093
14	18,471
15	19,128
16	19,770
17	20,484
18	21,099
19	21,747
20	22,392
21	23,046
22	23,799
23	24,606
24	25,449
25	26,394
26	27,267
27	28,107
28	28,947
29	29,784
30	30,633
31	31,437
32	32,226
33	33,033
34	34,005
35	35,076
36	36,030
37	36,963
38	37,908
39	38,862
40	39,807
41	40,755
42	41,697
43	42,639
44	43,581
45	44,526

*N.B.: Pay points above £44,526 may be constructed by adding consecutive points above this sum which are equivalent to 2.2% extra above each preceding pay point.  
Source: Police Staff Council Pay and Conditions of Service Handbook*

- 7.4.8 Forces decide for themselves at what point on the pay spine to place the pay range, or single point spot rate, of each police staff grade or role. If a pay range is chosen, forces may decide how many pay points should constitute the range<sup>215</sup>. Progression up the pay scale is also at the discretion of the force – this issue is dealt with more fully in Chapter 8.
- 7.4.9 The four forces which do not participate in the PSC have their own pay spines for police staff. They are summarised in Table 7.49.

**Table 7.49: Summary of Metropolitan, City of London, Kent and Surrey police staff pay spines**

<b>City of London Police</b>	58-point pay spine ranging from £13,010 at the bottom to £88,870 at the top. There are ten pay bands, with no overlap between them. Pay bands typically consist of six increments.
<b>Kent Police</b>	68-point pay spine ranging from £14,211 at the bottom to £83,825 at the top. There are 14 pay bands, some are butt-ended whilst others overlap. Pay bands typically consist of six increments.
<b>Metropolitan Police</b>	195-point pay spine ranging from £12,834 at the bottom to £88,439 at the top. There are seven main pay bands, butt-ended, which typically consist of five to seven increments.
<b>Surrey Police</b>	51-point pay spine ranging from £13,737 at the bottom to £59,925 at the top. There are 12 pay bands, with overlap between all but the highest one which is butt-ended.

## Analysis

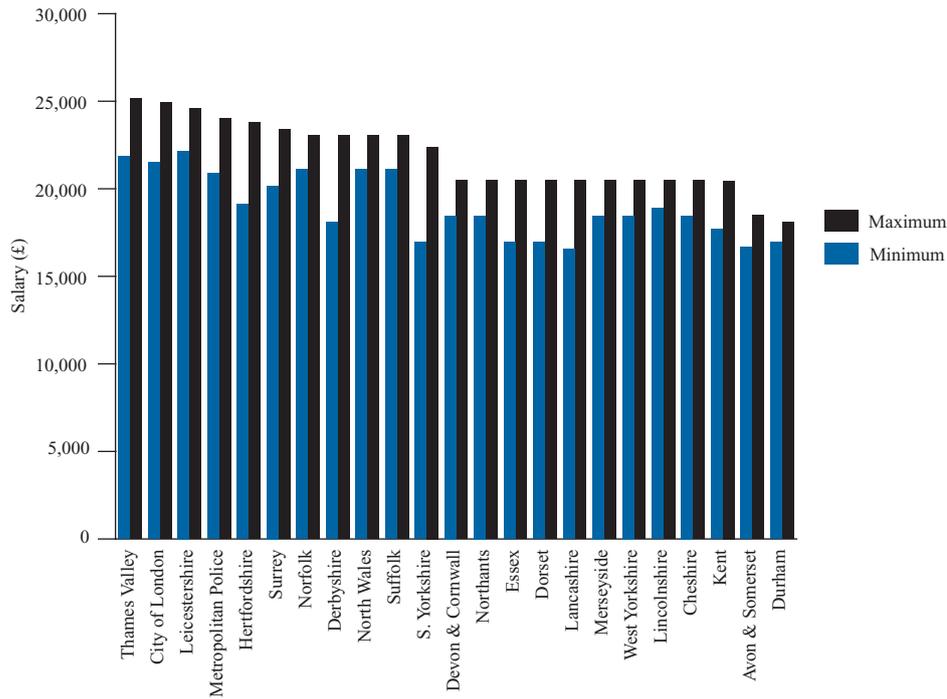
### *Recruitment and retention*

- 7.4.10 The principal purpose of basic pay is the recruitment and retention of staff of the right quality. If forces are unable to recruit the right staff, they are free to change the pay or terms and conditions of advertised jobs in order to attract more candidates, or candidates of higher quality. For example, information technology specialists may command higher pay in certain local labour markets, and forces have used market supplements (that is, higher pay or more valuable benefits) to attract recruits who are in demand in the relevant labour market. This shows that, under the current pay structure, forces are able to adapt to local labour market conditions in order to recruit and retain the staff they need.
- 7.4.11 Local market supplements may also account for differences between forces in the pay for similar roles. Since there is no national grading system for police staff, forces have discretion to place pay grades at any point on the PSC pay spine. This leads to variance in pay for jobs that carry the same title. It should be remembered that in practice these jobs may involve different responsibilities and be of different weights even though they have the same name. Figures 7.7 and 7.8 below illustrate the basic pay for some common police staff roles:

<sup>215</sup> *Police Staff Council: Pay and Conditions of Service Handbook*, Police Staff Council, London, 2004, paragraph 1.1

**Figure 7.7**

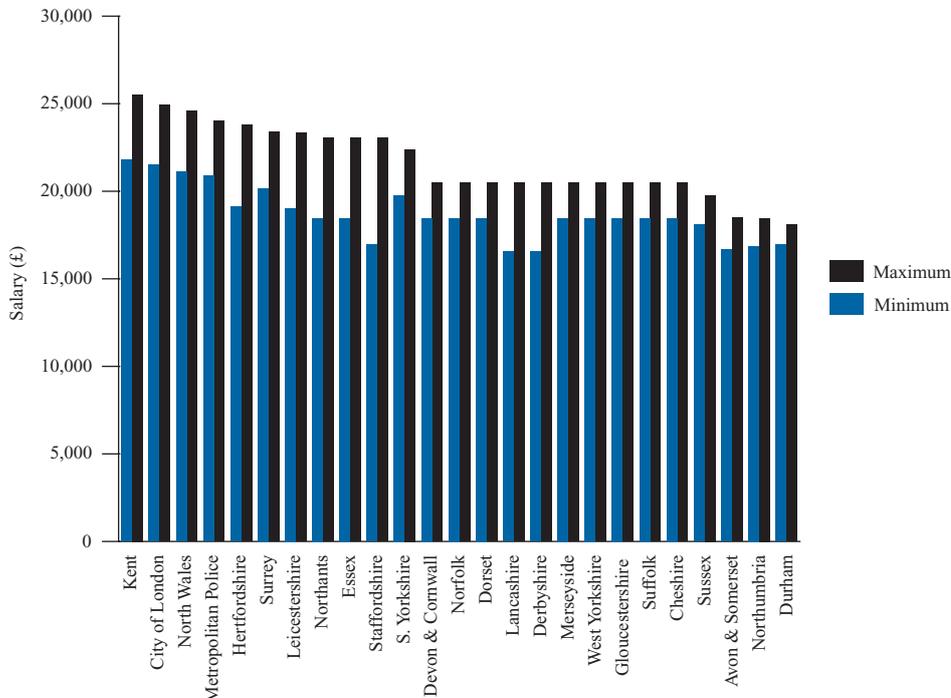
Detention Officer basic pay in various police forces



Source: UNISON part 2 submission, supplemented with data received from the Kent, City of London, and Metropolitan police forces.

**Figure 7.8**

PCSO basic pay in various police forces



Source: UNISON part 2 submission, supplemented with data received from the Kent, City of London, and Metropolitan police forces.

- 7.4.12 However, it should be noted that the roles of PCSO and detention officer are probably much closer in their content and weight as between forces than many other police staff roles. Therefore, the differences in pay may also be the result of other factors, which are discussed more fully in section 7.6 of this Chapter.
- 7.4.13 Wastage rates amongst police staff are higher than amongst police officers, but are lower than the private sector average. This indicates that basic pay, combined with the other benefits offered (for example, pensions and holiday entitlement), makes police staff jobs sufficiently attractive to recruit and retain employees.

### *Comparators*

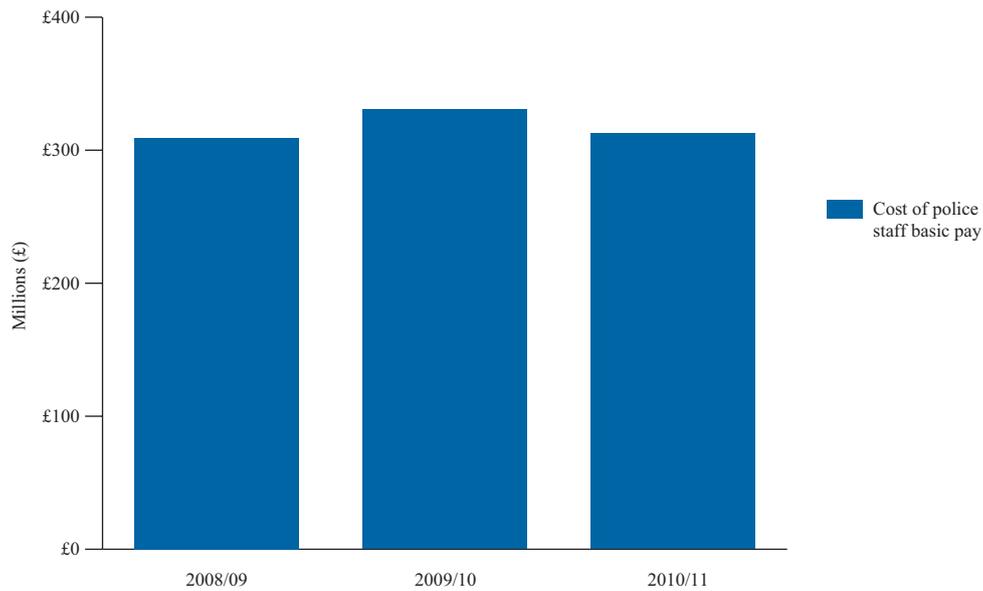
- 7.4.14 Comparisons with the private sector have greater validity for some police staff posts than they do for police officer roles because the skills required can be generic and widely used in the private sector. Other police staff roles are more specialised and, as with police officers, this makes drawing direct comparisons more difficult. Professor Disney, in his labour market analysis for Part 1, presented data showing salary comparisons between police staff and other occupations in both the public and private sectors<sup>216</sup>. An extract from Professor Disney's data is reproduced in Table 7.50 below:

<b>Table 7.50: Selected police service occupations: earnings and comparisons</b>			
<b>Police service occupational category</b>	<b>Average weekly gross earnings (£)</b>	<b>Comparable occupation in ASHE (SOC code)</b>	<b>Average weekly gross earnings (£) in comparable occupation</b>
Business and operations managers	813.09	Public sector managers (118)	697.60
IT and systems	611.30	IT operations technicians (3131)	578.00
Clerical officers	484.37	Local government officers/assistants (4113)	384.60
Clerical assistants	371.94	General office assistants (4150)	311.40
Custody detention officers	530.98	Prison service officers (3314)	492.00
Dispatchers, call centre officers, etc	515.84	Communication operators (4142)	468.40

- 7.4.15 Whilst these data are not comprehensive, they show that police staff are in general paid at or above the rates of their comparators elsewhere in the public and private sectors.

### *Cost of police staff basic pay*

- 7.4.16 The cost of police staff basic pay in England and Wales over the last three financial years, excluding the cost of employer pension and National Insurance contributions, is shown in Figure 7.9.

**Figure 7.9****Cost of police staff basic pay**

Source: CIPFA Police Actuals Statistics

## Consultation

### *Response by the Association of Chief Police Officers*

- 7.4.17 ACPO says that the integrity of policing and the quality of service provided to the public depends upon police staff “feeling appreciated and appropriately rewarded for what they do”<sup>217</sup>. ACPO believes that police staff pay rates should be determined locally, but it is in favour of the continuation of a national pay framework.

### *Response by the Association of Police Authorities*

- 7.4.18 The APA believes that police officer and staff pay regimes should be converged “as far as practically possible”<sup>218</sup>. The APA advocates a new model for determining police officer and staff pay. The sole difference in treatment would be that only officers would receive an ‘X-factor’ payment, reflecting the special nature of the work of police officers and the restrictions they face. The APA’s proposed pay system is based on a national job evaluation process that would group all police staff roles into job ‘families’. Each job family would have a nationally prescribed rate of basic pay, on top of which role premia (to reflect local labour market conditions) and unsocial hours payments would also be made.

### *Response by the Association of Police Authority Chief Executives*

- 7.4.19 APACE advocates a system of role-based pay within a national pay and grading structure, as part of a single employment framework. A national job evaluation process would, APACE argues, be central to developing a coherent national pay structure. Under this model, police staff would be part of a national pay framework that also encompasses officers. APACE believes this approach is necessary to produce a modern, flexible workforce.

### *Responses from police forces and police authorities*

- 7.4.20 The Metropolitan Police Service (MPS) says that there are two broad categories of staff: those whose skills are specific to policing – for example, PCSOs – and those who have generic skills

<sup>217</sup> ACPO submission, page 8

<sup>218</sup> APA submission, page 5

widely used elsewhere in the labour market. The MPS suggests that the first group should have their pay and conditions brought into line with those of police officers. The MPS argues that forces need maximum flexibility to recruit the second group from local labour markets.

- 7.4.21 Kent Police is opposed to national rates of pay for police staff. It says that local pay negotiations offer value for money, although it recognises they can also create additional work and difficulties for the force.
- 7.4.22 The joint submission from Gwent Police and South Wales Police expresses concern that national pay rates, which would need to take account of metropolitan areas, would make police staff pay unaffordable in some areas.
- 7.4.23 Avon and Somerset Police Authority advocates nationally determined pay grades for police staff, arguing that it is not desirable to have 43 different pay rates. The Cambridgeshire Constabulary is also in favour of national pay for police staff. It argues that the centralisation of pay determination would facilitate police force collaboration and the transfer of staff between forces. It says that local market recruitment payments could be used where necessary, but these should also be determined centrally. This approach would prevent forces ‘poaching’ staff from one another, particularly those who are expensive to train. It says that this has been a problem in the past with police staff who take and analyse fingerprint samples. It says that such a regime would also save money that is currently spent by forces obtaining market data, as this too could be centralised.
- 7.4.24 The joint submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire police forces says that a national framework for common staff roles – such as PCSO and crime scene investigator – would be useful provided it leaves sufficient local flexibility to adapt to local labour market conditions. Their submission says that a study on pay harmonisation for police staff in the five forces in 2005 indicated that harmonisation would cost an additional £5 million each year.

#### *Response by UNISON*

- 7.4.25 UNISON describes the current pay and reward arrangements for police staff as “fragmentary and discriminatory”<sup>219</sup>.
- 7.4.26 It says that gender pay equality must be tackled, and that the government should provide the resources to rectify historic pay inequality. It says that women earn on average eight *per cent* less than their male counterparts in the police staff workforce, and are over-represented in the bottom half of police staff pay scales. It argues that many police forces have not conducted equality-proofed job evaluation and therefore their pay systems are likely to be discriminatory.
- 7.4.27 UNISON advocates a “decency agenda” for police staff pay, arguing that a “living wage” of £7.60 *per* hour should be a baseline figure for all police staff. It emphasises the importance of the government keeping its commitment to increase by £250 the pay of all public sector workers who earn less than £21,000 *per annum* in the 2011/12 and 2012/13 pay years.
- 7.4.28 UNISON argues that the current approach to police staff pay, under which forces set the grading and thus the salary for each staff role, should be replaced by a national pay and grading system for police staff. This would involve the Police Staff Council not only determining a national pay scale, as it does at present, but also determining the grading for each police staff role nationally. The Police Staff Council would therefore set the salary for every police staff member nationally. UNISON points to the NHS’s Agenda for Change pay structure and the Probation Service’s pay reform package of 2006 as examples of successful moves to national pay and grading structures.
- 7.4.29 UNISON argues that a national pay and grading structure should be introduced for the following reasons:
- workforce modernisation requires a coherent, national approach to police staff pay;

<sup>219</sup> UNISON submission, page 5

- national pay and grading would allow the Police Staff Council to deal with major policy issues in a consistent way across all forces;
- national pay and grading will facilitate force collaboration or mergers, since it is demotivating for police staff members from different forces to do the same jobs for different salaries;
- the revised 13-factor job evaluation scheme developed by the Police Staff Council provides a basis on which to develop a national pay and grading system;
- a national pay and grading system will tackle the pay equality issues that UNISON argues forces have not dealt with themselves;
- the link between pay and skills could be established more effectively through a national pay and grading system than through force-level grading systems;
- economies of scale can be achieved through a single national pay and grading structure; this will mean that negotiations of pay and conditions are conducted once, rather than individually by all 43 forces; at present, UNISON says, 13 forces pay the same consultancy firm 13 times over for the same job evaluation scheme and market pay data;
- many police staff are still on grading systems inherited from local government, and these should be replaced by a more modern and effective structure through a national scheme;
- the 2004 HMIC report *Modernising the Police Service* stated that pay differences “raised a number of issues” about pay standardisation and recommended that a common approach to job evaluation be agreed by ACPO, and that forces’ local flexibility to pay market and grade supplements should be retained<sup>220</sup>;
- national pay and grading would offer the chance to create a harmonised pay and conditions package for police officers and staff.

7.4.30 UNISON cites the Accenture research, conducted for the Home Office in 2005, concerning PCSO pay and conditions, and says that it contains evidence which supports the case for placing police staff on a national pay and grading structure. UNISON says that the PCSO role “demands a national pay grade” because of its national profile, standard powers, and national recruitment and training package.

7.4.31 UNISON stresses the importance of all police staff coming under the national pay and grading structure based on the 13-factor job evaluation scheme. It is opposed to the current practice of some senior police staff negotiating their contracts with their employers without reference to the job evaluation systems that are used to set the salaries of their more junior colleagues. UNISON considers such practice to be unacceptable from the perspectives of both equality and transparency.

7.4.32 UNISON argues that whilst local pay and grading systems are meant to ensure that police staff pay is closely related to the local labour market, in reality this does not happen. It submitted data showing rates of pay across a range of forces for some common police staff jobs (some of the data are reproduced in the Analysis section earlier in this Chapter). The data show that forces in areas with the highest average earnings (that is, London and the south east) do not always pay the highest salaries.

#### *Responses by other unions*

7.4.33 Unite argues that there should be equal pay for work of equal value, and fair pay for all employees. Unite is in favour of maintaining a national pay structure for police staff. It also remarks, however, that the pay mechanisms used in the Metropolitan Police Service and the City of London Police, outside the PSC, work satisfactorily for staff in those forces.

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<sup>220</sup> *Modernising the Police Service*, Her Majesty’s Inspectorate of Constabulary, London, 2004, page 107. The report notes, in the sentence following that quoted by UNISON in its submission, the importance of retaining an element of local flexibility

- 7.4.34 Prospect does not support a national pay and grading system for police staff. It advocates retaining the system currently in use in the Metropolitan Police Service “which has met the needs of the staff and the employer well”<sup>221</sup>. Prospect says that a national pay and grading structure would not have the flexibility adequately to meet the unique demands of London and the London labour market, such as the high cost of living and long commuting distances. Before 2002, when the current job evaluation system was introduced, police staff in London were paid a number of location and recruitment allowances in addition to their basic pay. Prospect criticised that pay system as inconsistent and lacking in transparency. It argued that a national pay and grading structure would in any case require some form of London allowance since the London labour market is so unlike any other in England and Wales. Prospect says the establishment of such a regime would be a retrograde step, constituting a return to an earlier and more complex pay system in London, which required a variety of market and location allowances. Prospect says that the earlier system was difficult to administer, lacked transparency, and was open to misuse

*Response by the Chief Police Officers’ Staff Association*

- 7.4.35 CPOSA argues that the pay rates for senior police staff positions are not competitive, particularly because the people who fill these posts have skills – such as information technology and finance – that are in strong demand in the private sector, where rates of pay are typically higher than those offered by police forces.
- 7.4.36 CPOSA says that assistant chief officer (ACO) roles are more diverse than the chief officer jobs performed by police officers (ACO is a term that describes a police staff employee who is a member of a police force’s chief officer team). The Hay Group research submitted by CPOSA supports this conclusion, showing that some ACO roles are smaller than a typical ACC role, whereas others overlap with DCC roles. ACOs are recruited from a different labour market than chief police officers, and that labour market is much larger and includes the private as well as the public sector. CPOSA argues that the combination of these two factors would make it very difficult to introduce national pay and grading structures for ACOs. CPOSA advocates the introduction of a national job evaluation system that would be used to evaluate every ACO role.

*Seminars*

- 7.4.37 On 21 July 2011, the review held a seminar on basic pay issues. There were three main themes in the discussion on police staff basic pay: equality between officers and staff; national or local pay and grading; and equality proofing of staff pay. First, Mr Mike Rigby of the Public and Commercial Services Union (PCS)<sup>222</sup>, Mr Ben Priestley of UNISON<sup>223</sup>, and Mr Blair Gibbs of Policy Exchange, all said that police staff are paid less than police officers for doing the same job. This, Mr Gibbs said, is the unfairness that matters most in police staff pay<sup>224</sup>. Mr Gibbs argued that the barriers between police officer and staff pay should gradually be broken down<sup>225</sup>.
- 7.4.38 Secondly, Mr Priestley argued for a national pay and grading system for police staff<sup>226</sup>. He said that a national system would be fairer than the current system because it would remove pay inconsistencies between forces. Also, he said it could be the basis for negotiating skill-based pay; would enable a strategic direction to be set for police pay; and would save money as it would replace 43 separate pay negotiations with a single set of negotiations. Mr Paul McElroy of Surrey Police said that a material benefit of negotiating staff pay and conditions at force-level (rather than through the Police Staff Council) is that the Chief Constable has a greater degree of control over how his budget is spent<sup>227</sup>. National negotiations on pay and conditions

221 *Submission from Prospect*, September 2011, page 2

222 Basic pay seminar (2011), page 35

223 *ibid.* page 57

224 *ibid.* page 64

225 *ibid.* page 45

226 *ibid.* page 53

227 *ibid.* pages 60-61

occur outside the budgetary control of Chief Constables, who then have to find ways of paying for what has been agreed. He said that local negotiation has allowed the Surrey force to agree pay settlements that are as fair as possible within the available funds. Ms Sarah Mott of Kent Police said that Kent Police had benefitted from the local flexibility derived from remaining outside the Police Staff Council<sup>228</sup>. Mr Graham Baird of the Local Government Group said that forces welcomed the flexibilities offered by the current Police Staff Council arrangements. He said that moving to a national system would take a great deal of effort but would offer little reward<sup>229</sup>. Mr Gibbs said that the cost of 43 separate pay negotiations are insignificant compared to the costs that a national pay and grading regime would impose, because such a system would result in forces paying staff more than is necessary in many parts of the country<sup>230</sup>.

- 7.4.39 Thirdly, Mr Priestley said that the pay and grading systems for police staff in many forces are antiquated and not ‘equality proofed’. He said that only just over half of police forces in England and Wales have used job evaluation correctly, and that UNISON is concerned that the majority of forces do not have ‘equality proofed’ pay and grading systems<sup>231</sup>.

### *Website*

- 7.4.40 The review’s website consultation provided a variety of different views on this subject. One respondent said that the salary structure for police staff should be placed on a national rather than a local basis because annual pay for the same role can vary by as much as £4,000 between forces. Another said that there is significant inequality in some areas with police staff seeing officers paid more for the same job, although he recognised that officers’ conditions are more restrictive than staff conditions. One respondent emphasised the importance of having a clear and transparent pay structure for police staff (and officers). Another said that staff pay should reflect the hard work and dedication to the job that they display on a daily basis. This respondent said that pay should be increased and conditions improved. Another argued that staff pay should be increased because their workload has increased over time. One respondent said that staff should be paid more if they hold an academic qualification relevant to policing. Other respondents said that staff pay was fair and should not be altered.

## **Conclusion**

- 7.4.41 The consultation on police staff pay can be conveniently considered in two respects, namely: (a) equal pay, and (b) national or local pay grading.

### *Equal pay*

- 7.4.42 Pay scales with a large number of pay points increase the risk of unequal pay. Statistically, female employees tend to be over-represented at the bottom of pay scale ranges, and male employees tend to be over-represented at the top. This is because female employees are more likely to take career breaks to have and raise children. Pay scales with large numbers of pay points risk creating situations where male and female employees do the same jobs with equal competence, but where the females are paid less. This is unfair. The police staff unions emphasised the importance of equal pay, argued that women are, on average, paid 8% less than men in police staff employment, and showed that women are over-represented in the bottom half of police staff pay scales. One of the principles which has applied in this review is fairness. Pay discrimination on grounds of gender or age is clearly inconsistent with this principle, and, in the absence of a material factor or objective justification within the meaning of the Equality Act 2010, unlawful.
- 7.4.43 Pay scales should accurately reflect the time over which increases in experience translate into increases in competence. For as long as this is the case, it is right that duration of service

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228 *ibid.* pages 67-68

229 *ibid.* pages 65-66

230 *ibid.* page 63

231 *ibid.* page 53

is rewarded through pay. It is unlikely that there are many police staff jobs in which the job holder will continue to increase their competence after more than five years of experience. I recommend that all police forces review, and if necessary amend, their grading structures to ensure that they are fully compliant with the requirements of the Equality Act 2010.

- 7.4.44 I recommend that forces take this action at the earliest opportunity, and in any case not later than April 2013. Where they establish that pay scales are excessively long, they should be shortened as fairly and quickly as possible, consistently with the need for efficiency and economy.
- 7.4.45 Ensuring that police staff pay is not contrary to the requirements of the Equality Act 2010 is not only fair. It will also protect the taxpayer from what may be large financial awards made to claimants who rely successfully on that Act.
- 7.4.46 These recommendations will have a very small effect on the administrative burden of police forces because they review staff pay on a regular basis in any case. It is not possible to estimate with any appreciable degree of accuracy the cost of implementation of this recommendation because as the review has not had access to the pay grading structures of all 43 forces. Of those pay grading structures which the review has been able to obtain, police staff pay grades are typically six pay points long (and therefore are not in need of revision). In any case, it is possible to shorten a pay scale without increasing salary costs, and forces should do so where possible.

#### *Pay grading at force level*

- 7.4.47 UNISON, the APA and APACE all advocate a national pay grading system for police staff. However, the arguments for a national pay and grading system for police staff are not sufficiently compelling. It is recognised that it would be less bureaucratic to settle staff pay in a single set of negotiations rather than 43. There is a risk of ‘poaching’ of staff and of pay escalation if forces compete for scarce skills through competitive pay rises. However, in my judgment, the benefits of force-level pay grading outweigh all of those apparent advantages.
- 7.4.48 Most police staff are recruited and work locally. The market for their skills and labour is a local one. Local pay levels reflect the willingness of local employers to buy that labour (demand) and the availability of labour (supply). If police staff can earn more elsewhere in the country, and they are prepared to move jobs, then their labour will secure higher remuneration, as it should. It is not unfair for labour to be priced differently in different parts of the country; this is how efficient labour markets operate.
- 7.4.49 Fairness – to the taxpayer and to the people who work in police forces – underpins all the recommendations in this review. National pay grading risks inflating the costs of employing police staff at a time when the country cannot afford to pay more than is necessary. National grading would entail setting pay for each police staff role at a level that will attract recruits of the right quality in all labour markets. This will mean that basic pay will be set at a level to ensure competitiveness in labour markets with the highest average earnings, and paying that rate to staff even in areas with much lower average earnings. That would mean the taxpayer would be overpaying for police staff labour in some – perhaps many – parts of the country. The alternative would be that the rate of pay would be set at a level that is correct for most of the country, but insufficiently high for the areas which have the highest average earnings. This would mean that forces in the latter areas may have considerable difficulty attracting and keeping recruits of the appropriate quality. Local pay grading is preferable as it allows pay to reflect local labour market conditions. It also protects police force budgets, and thereby permits Chief Constables to employ more police staff, or purchase other important resources which are needed, than would otherwise be the case. That is fair both to the people in question, the taxpayer and the public who rely on the efficient and cost-effective delivery of policing.
- 7.4.50 I recommend that police staff pay grading continues to be undertaken by individual forces. Determining pay rates locally provides the best opportunity for forces to pay the salaries required to recruit and retain individuals of the right quality, and no more. Accordingly, it protects the taxpayer from national salaries which may be higher than local labour market

conditions would dictate, and provides forces with the ability to adjust pay and conditions to particular features of the local situation.

- 7.4.51 UNISON has provided evidence which shows that, in some cases, police staff pay does not appear to follow local labour market rates as might be expected. Whilst some forces in higher pay areas provide higher pay to police staff, and some forces in lower pay areas provide lower pay to police staff, in some cases other forces diverge from this pattern. On the face of it, forces in Wales and central England, in particular, appear to pay higher salaries than the local labour market may demand. As Professor Disney explains in his economic analysis for Part 2, UNISON's data is not comprehensive and does not allow definitive conclusions to be drawn. In the cases in question, there may be sound reasons for forces to be paying police staff as they do and I am concerned that UNISON's analysis of data – that forces' pay grading is arbitrary – is correct. However, my conclusions from this analysis differ from UNISON's. Whilst UNISON's conclusion is that local pay does not work and should be replaced with a national pay system, I draw the conclusion that local pay is not working as efficiently as it might. I recommend that forces review and, if necessary, amend their pay grading systems in relation to local pay rates to ensure that they are paying no more than is required to recruit and retain individuals of the requisite quality. If a force concludes that it is paying above the market rate in its area, it has a duty to the taxpayer to exercise wage restraint until the salaries in question have been brought into alignment with local labour market conditions. This should be done with sensitivity to the personal financial circumstances of the police staff affected, who should be provided with an appropriate degree of pay protection as any necessary changes are brought into effect over time.
- 7.4.52 Forces should undertake this review as part of their normal salary determination processes. It should not, therefore, add to bureaucracy. The review should begin not later than April 2013.

**Recommendation 66 – All police forces should review, and if necessary amend, their pay grading structures to ensure that they are fully compliant with the requirements of the Equality Act 2010.**

**Recommendation 67 – Police forces should review pay grading structures at the earliest opportunity, and in any case not later than April 2013. Where they establish that pay scales are excessively long, they should be shortened as fairly and quickly as possible, consistently with the need for efficiency and economy.**

**Recommendation 68 – Police staff pay grading should continue to be undertaken by individual police forces.**

**Recommendation 69 – Police forces should review and, if necessary, amend their pay grading systems in relation to local pay rates to ensure that they are paying no more than is required to recruit and retain individuals of the requisite quality. Any necessary adjustments to grading systems should be made with sensitivity to the personal financial circumstances of the police staff affected, who should be provided with an appropriate degree of pay protection as any necessary changes are brought into effect over time.**

**Recommendation 70 – Forces should undertake this review as part of their normal salary determination processes. The review should begin not later than April 2013.**

## 7.5 X-factor for officers and staff

- 7.5.1 In Chapter 5, it is recommended that officers who are not deployable and are not capable of undertaking a role requiring the office of constable should lose the ‘X-factor’ from their salary. This section defines the X-factor, and quantifies its deployment element, arriving at a recommendation for the amount of salary that should be withdrawn from officers who cannot be deployed to any role requiring the use of police powers.

### Background

#### *History – police officers*

- 7.5.2 The term ‘X-factor’ is used to encapsulate those elements of police officers’ responsibilities and obligations, and terms and conditions, that are peculiar to service as a police officer, and are shared by very few workers in the public sector and even fewer in the private sector. Earlier police pay reviews have concluded that there should be an element of a police officer’s basic pay that reflects the special responsibilities and constraints of his work and of the office of constable. They have not attempted to value it, although they have been clear that they have taken it into account in setting police pay.

- 7.5.3 In 1920, the Desborough report said:

*“[W]e are satisfied that a policeman has responsibilities and obligations which are peculiar to his calling and distinguish him from other public servants and municipal employees, and we consider the Police entitled thereby to special consideration in regard to their rate of pay and pensions”<sup>232</sup>.*

- 7.5.4 Desborough added that a police officer should “possess a combination of moral, mental and physical qualities not ordinarily required in other employments”<sup>233</sup>. These qualities were necessary in a police officer because:

*“when he becomes a constable, he is entrusted with powers which may gravely affect the liberty of the subject, and he must at all times be ready to act with tact and discretion, and on his own initiative and responsibility, in all sorts of contingencies”<sup>234</sup>.*

- 7.5.5 Desborough said that the police service is particularly unusual in requiring these special qualities in even its most junior rank, that of police constable:

*“[t]he burden of individual discretion and responsibility placed upon a constable is much greater than that of any other public servant of subordinate rank”<sup>235</sup>.*

- 7.5.6 Desborough also considered the police officer unusual because his responsibilities extended from his working life into his social and personal life. Desborough said that a police officer

*“stand[s] in a special relationship to the community ... and generally holds a position of trust which it is important he should be able to maintain”<sup>236</sup>.*

- 7.5.7 In Desborough’s view, this responsibility was burdensome, and meant that “a constable is subject to social disabilities by reason of his employment”<sup>237</sup>. Not only must he “maintain a standard of personal conduct befitting to his position” both on and off duty<sup>238</sup>. The police officer is also:

*“liable to be called for duty at any time in an emergency, and, in order that he may be available for unexpected calls, he may be restricted in his choice of a residence”<sup>239</sup>.*

232 Desborough report, paragraph 28

233 *ibid.* paragraph 29

234 *ibid.* paragraph 29

235 *ibid.* paragraph 29

236 *ibid.* paragraph 30

237 *ibid.* paragraph 31

238 *ibid.* paragraph 31

239 *ibid.* paragraph 31

7.5.8 There were further restrictions on an officer’s personal life beyond the fact that he was never truly off duty. He was also “precluded from supplementing his wages by undertaking employment for profit in his spare time”<sup>240</sup>.

7.5.9 Desborough also described the dangers inherent in being a police officer:

*“The policeman’s calling also exposes him to special dangers. He may at any time have occasion to arrest an armed criminal; he frequently has to deal with drunken persons, who are responsible for the greater part of the crimes against the person, and he may occasionally have to take part in suppressing violent disorder”*<sup>241</sup>.

7.5.10 Desborough also acknowledged positive aspects of the condition of the policeman. A police officer:

*“need make no provision for times of unemployment; he has holidays on full pay; he has the benefit of a pension scheme to which he con[t]ributes only a fraction of the total cost ... and which is distinctly more favourable than that enjoyed by any other public servant; and in a good many forces he is provided with a house or other quarters or receives an allowance towards his rent”*<sup>242</sup>.

### *The Oaksey report*

7.5.11 When the Oaksey committee came to examine police pay and conditions 30 years after Desborough, it “entirely agree[d]” with Desborough’s comments on the responsibilities and obligations of police officers<sup>243</sup>. Oaksey was:

*“convinced that police responsibilities are more exacting now than they were when the Desborough Committee reported in 1919 and are not likely to become less”*<sup>244</sup>.

7.5.12 Oaksey also found that the difficulties and dangers inherent in policing had increased due to:

*“[t]he organisation and technique of modern criminals, their use of cars, and their increased tendency to carry firearms”*<sup>245</sup>.

### *The Royal Commission of 1960*

7.5.13 The Royal Commission discerned a similar set of characteristics unique to policing, which they considered to have “a flavour all its own”<sup>246</sup>. Like Desborough, it considered police officers to hold an unusually high level of “individual responsibility ... more onerous than any delegated to, or assumed by, a member of any comparable profession or occupation”<sup>247</sup>.

7.5.14 Like Oaksey and Desborough before them, the members of the Royal Commission noted that the police were required to put themselves at risk of harm, having “a duty to maintain The Queen’s Peace regardless of personal safety”<sup>248</sup>.

7.5.15 The Royal Commission echoed Desborough in its description of the constraints on the social and personal lives of police officers:

*“A policeman lives and works as a member of the community ... [b]ut he is expected to uphold standards higher than those of many other sections of the community. His personal conduct in all matters both on and off duty must be above reproach ... he must establish in the community a reputation for uprightness and fair dealing that puts him beyond the reach of criticism and malicious gossip”*<sup>249</sup>.

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240 *ibid.* paragraph 32

241 *ibid.* paragraph 31

242 *ibid.* paragraph 33

243 Oaksey report, paragraph 19

244 *ibid.* paragraph 19

245 *ibid.* paragraph 19

246 Royal Commission report, paragraph 162

247 *ibid.* paragraph 34

248 *ibid.* paragraph 37

249 *ibid.* paragraph 43

- 7.5.16 In addition, police officers could “not ... take an active part in politics” and suffered “the disturbance to family life caused by a policeman’s transfer from one place to another”<sup>250</sup>. The Royal Commission also noted “the number and variety of offences it is possible for a policeman to commit” under the police disciplinary code<sup>251</sup>.
- 7.5.17 The Royal Commission, like Desborough, saw that the special characteristics of policing were not all negative. Police officers had the benefit of the “sense of pride that springs from belonging to an organized force possessing a tradition, *esprit de corps*, and comradeship”<sup>252</sup>. Further, they “enjoy a special status and esteem in the community” and receive excellent training. They could take “legitimate pride in doing a man’s job in a machine age ... an open air life ... not confined to an office or factory”. And country constables were “provided with a house and ha[d] sufficient leisure to grow vegetables and keep poultry if so inclined”<sup>253</sup>.

#### *The Edmund-Davies report*

- 7.5.18 In these respects, Edmund-Davies reiterated many of the points made by the Royal Commission and Desborough. He found that what had changed was “the context – the general challenge to authority and the increasing recourse to violence”<sup>254</sup>.
- 7.5.19 Edmund-Davies said that the police, along with the judiciary and the army, “are unique in our society and essential to its continuation”<sup>255</sup>. As others before him, he noted the “exceptional degree of initiative and discretion” required of even the most junior police officers in the discharge of their duties.<sup>256</sup>
- 7.5.20 It is perhaps surprising that it was not until Edmund-Davies in 1978 that it was suggested that:
- “the most important statutory restriction ... is that now embodied in Sec. 47 of the Police Act 1964, that ‘a member of a police force shall not be a member of any trade union or of any association having for its objects, or one of its objects, to control or influence the pay, pensions or conditions of service of any police force’”*<sup>257</sup>.
- 7.5.21 Police officers “in fact as well as in law ... are set apart from all other workers, save for the armed forces of the Crown and the Judiciary” by virtue of not being able to strike<sup>258</sup>. Edmund-Davies said that:
- “[f]rom the moment of recruitment [the constable] therefore dedicates himself to the faithful discharge of public duties of a high order. He thereby elects to place himself in a category wholly different from all other civilian workers in the land.”*<sup>259</sup>
- 7.5.22 Edmund-Davies found, as Oaksey and the Royal Commission had done before, that “the risk of assault and injury to the police has greatly increased”<sup>260</sup>.

#### *The Sheehy Report*

- 7.5.23 Sheehy re-examined the arguments made by Edmund-Davies’ 15 years earlier, and proposed three factors as relevant in this respect:
- the extraordinary powers held by the police “principally the police monopoly of the use of legitimate force”;

250 *ibid.* paragraphs 43-44

251 *ibid.* paragraph 46

252 *ibid.* paragraph 48

253 *ibid.* paragraph 49

254 Edmund-Davies report (2), page *viii*

255 *ibid.* page *vi*

256 *ibid.* page *vii*

257 *ibid.* page *viii*

258 *ibid.* paragraph 77

259 *ibid.* paragraph 77

260 *ibid.* paragraph 31

- the exceptionally high level of integrity required of police officers, and the “degree of individual discretion which the law vests in each officer irrespective of rank or length of service”; and
- the hazards officers face when asked “to exercise control in sensitive, quite often dangerous and sometimes explosive situations, often at considerable risk to themselves”<sup>261</sup>.

7.5.24 Sheehy was also the first to suggest that whilst it was “right that levels of police pay should reflect the risk of injury and assault and the level of disruption to personal life involved in policing”, it should not be assumed that the risk and disruption was at the same level for all officers. Rather, he said, they should be reflected in the pay of the particular ranks and roles where these dangers were particularly acute<sup>262</sup>.

### *History – police staff*

7.5.25 Civilian staff have been an integral part of policing since at least the time of the Metropolitan Police Act 1829, which created police staff roles for the efficient running of the force.

7.5.26 Police staff remuneration and conditions of employment have never been subject to national review, unlike police officer remuneration and conditions, which have been repeatedly reviewed since Desborough in 1919. There has not, therefore, been any consideration at national level of the X-factor in relation to police staff.

7.5.27 Until 1996, police staff in all but four forces were local government employees (staff in the Metropolitan Police, City of London Police, Kent Police and Surrey Police, were employed under different arrangements). Their pay and conditions were the same as those of all the other 0.75 million public sector workers covered by the National Joint Council for Local Government. In 1996, those police staff who were local government employees were transferred to the employment of police authorities.

7.5.28 There has been a steady enlargement in the range of roles undertaken by police staff, and the number of frontline operational roles performed by police staff has risen. Chapter 2 contains further detail on staff roles and civilianisation. The steadily increasing level of civilianisation has led to civilian staff now undertaking roles formerly conducted by police officers. For example, much investigative work, such as evidence collection and crime scene investigation, was in the past the preserve of police officers but is now routinely conducted by police staff. Likewise, police staff have taken on roles in the control room, and as detention officers, which were previously held by police officers.

### *Status quo*

7.5.29 The basic pay of police officers has been set to reflect the special nature of policing, and, as explained above, the special demands and characteristics of policing have been repeatedly discussed by the committees that have been established periodically to review police remuneration and conditions.

7.5.30 Current police officer pay, which still rests largely on the foundations established by Desborough in 1920 and Edmund-Davies in 1978, includes compensation for those special characteristics. This special component is present in the pay of all police officers, regardless of the particular work each does.

7.5.31 Police staff pay is based on the national pay spine agreed by the Police Staff Council for all but four forces, who have their own, locally-agreed pay spines. Police staff pay does not explicitly contain any X-factor component.

7.5.32 Unlike police officers, police staff roles have generally been subject to local job evaluation. Therefore, police staff pay takes full account of all the characteristics of the individual roles, including those which some police staff have in common with police officers and which are, in police officers’ pay, part of the X-factor. An example is the level of personal risk involved

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261 Sheehy report, paragraph 1.7

262 *ibid.* paragraph 2.22

in work as a police community support officer, which is not markedly different from that of a neighbourhood police officer<sup>263</sup>.

## Analysis

### *What is meant by the term 'X-factor'?*

- 7.5.33 X-factor is a term used to denote those aspects of police officers' duties, responsibilities and terms and conditions that are peculiar – in some respects, unique – to policing. An acceptance of its existence has repeatedly led reviews of police officer remuneration to conclude that police pay should be set at a level somewhat higher than that of other, broadly comparable workers, to take account of these particular and special aspects of policing.
- 7.5.34 The existence of the X-factor has been acknowledged and allowed for in past reviews of police officer remuneration. However, it is worthy of note that whilst in this respect in these earlier reviews there are areas of agreement as to what are the elements of the X-factor, conceptions of what is particular and special about the police officer's role have changed over time. Table 7.51 summarises the differing conceptions of the X-factor.

<b>Table 7.51: Conceptions of the X-factor in reviews of police officer remuneration</b>					
	<b>Desborough (1920)</b>	<b>Oaksey (1949)</b>	<b>Royal Commission (1960)</b>	<b>Edmund-Davies (1978)</b>	<b>Sheehy (1993)</b>
Discretion and responsibility	A high level of individual discretion and responsibility, much greater than that of any other public servant of subordinate rank	Agrees with Desborough on discretion. Police responsibilities are more exacting now than they were when Desborough reported	High level of individual responsibility	The exceptional degree of initiative and discretion required in the discharge of a police officer's duties	The exceptionally high level of integrity required
Danger	Exposure to danger	Policing is more dangerous than in Desborough's day.	Duty to maintain the Queen's Peace regardless of personal safety	The dangerous nature of a police officer's duties	The sensitive and often dangerous situations that the police are required to control, often at risk to themselves
Deployment	Liable to be called for duty at any time in an emergency	Entirely agrees with Desborough		A workload which involves night duties and often requires working over weekends and on rest days	The disruption to personal life

263 Police staff job evaluation is based upon a 13-factor framework. *Police Staff Council 13-Factor Job Evaluation Scheme*, October 2011, [www.lge.gov.uk/lge/aio/9696005](http://www.lge.gov.uk/lge/aio/9696005)

Police powers	Entrusted with powers which may gravely affect the liberty of the subject	Entirely agrees with Desborough			The extraordinary nature of police powers
Secondary trade	Restrictions on secondary trade or business	Entirely agrees with Desborough	Constables cannot take secondary employment	The restrictions on the work which members of a constable's family may and may not do	
Housing restrictions	Restrictions in choice of residence	Entirely agrees with Desborough		Restrictions on where a constable may live	
Personal conduct	A responsibility to maintain a standard of personal conduct befitting to their position	Entirely agrees with Desborough	Personal conduct in all matters both on and off duty must be exemplary		
Cannot join a trade union; absence of right to strike				Absence of the right to strike	The absence of the right to strike
Political activity			May not take an active part in politics		
Disciplinary code			Subject to a very comprehensive disciplinary code		

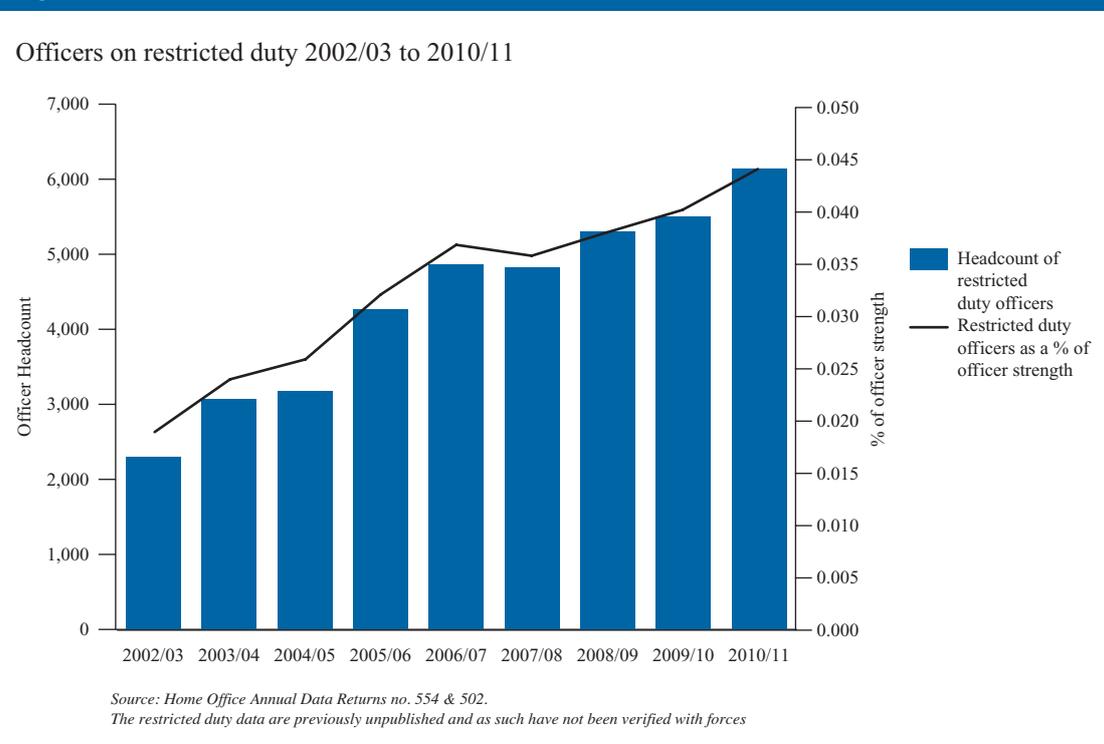
7.5.35 There are aspects of policing that are unique. Some of these aspects are positive, but many more are duties and obligations that are unusually demanding or restrictive. There are other components of the X-factor that are not entirely unique to policing. They are present in some other occupations, such as the military and other emergency and disciplined services, and their intensity is a matter of degree. In some respects, they are present to a considerable extent in the case of police officers. Table 7.52 sets out these characteristics and compares them with those in other occupations. It is illustrative and does not constitute an exhaustive or comprehensive description of all other occupations where these characteristics apply.

<b>Table 7.52: Comparison between the components of the X-factor in policing and other occupations</b>	
<b>Police officers and staff</b>	<b>Other occupations in which these components are present</b>
Danger	Armed services; emergency services; security industry; prison service; social workers. Other occupations face a high risk of injury or death from industrial accidents, for example, fishermen and construction workers
Power to deny citizens their liberty	Judiciary; prison officers; officers of the UK Border Agency; officers of the Serious Organised Crime Agency
Use of physical force in exercise of the coercive power of the state	Armed services; officers of the UK Border Agency; prison officers
Exceptional initiative and discretion required of, and highest degree of power invested in, the most junior rank	None
Exceptional integrity required	Judiciary; legal profession; medical profession and professions associated with or supplementary to medicine; veterinary medicine; education; other caring professions with responsibility for children and vulnerable adults; accounting profession; the clergy
Obligation to intervene even when off duty	Doctors have an ethical, but not a legal obligation, which is reinforced by guidelines issued by the General Medical Council <sup>264</sup>
Can be deployed to any location, at any time, to conduct any role within the competence of the officer, as required by the Chief Constable	Armed services
Subject to a disciplinary code	Many professions, such as doctors and lawyers, have rigorously enforced disciplinary codes. Members of the armed forces are also subject to a high degree of discipline
Restrictions on business interests	Many employment contracts prevent employees from taking on secondary employment without permission, and impose conditions on their doing so
Disruption of personal life – housing restrictions	Armed services
Disruption of personal life – unsocial hours	Many jobs require the working of unsocial hours
Requirement for high standard of personal conduct when off duty	Judiciary; most of the learned professions; education; civil servants; many contracts of employment impose off-duty conduct standards
Lack of right to strike	Armed services; the judiciary
Inability to take an active part in politics	Civil service; armed services; the judiciary; some jobs in local government

264 *In-flight Emergencies: Playing the Good Samaritan*, B. Shepherd, D. Macpherson and C. M. B. Edwards, *Journal of the Royal Society of Medicine*, Volume 99, No. 12, December 2006, pages 628-631

- 7.5.36 At first sight, some aspects of the X-factor appear to be role-specific for police officers. A police officer working in a control room is not in any greater danger than is the police staff member working alongside him, or any other citizen working in an office environment.
- 7.5.37 However, the fact that police officers can be redeployed at any time, to any place, into any role, when required by the Chief Constable means that all of those role-specific aspects of the X-factor are latent in the office of constable. Whilst a police officer in a back or mid-office role is not normally subject to an unusual level of danger, there is always the potential that he will be redeployed, at short notice, into a dangerous situation. This became entirely clear in the summer 2011 riots, when in some areas all able-bodied police officers were sent out onto the streets.
- 7.5.38 Chief Constables may not be able to redeploy some officers on restricted or recuperative duty. The degree to which this impairs deployment depends on the level of the restriction, but some officers cannot be redeployed into public-facing roles. The number of officers on restricted duties, both in absolute terms and as a proportion of the officer workforce, has been growing in the last decade, and in 2010 over four *per cent* of officers were on restricted duties

**Figure 7.10**



### Police staff

- 7.5.39 As is apparent, this assessment of the characteristics of the X-factor has been made from the perspective of the police officer. Since such a significant proportion of the work of the police service is now carried out by police staff, it is necessary also to consider how many of these factors are also present in the work and circumstances of police staff. Furthermore, the significant variety of jobs carried out by police staff – both as between their natures and between forces – means that the constituent parts of the X-factor for police officers are not present in all police staff jobs, and the extent to which these factors are common to police officers and police staff also differs.
- 7.5.40 The danger element of the X-factor applies, to a greater or lesser degree, to all police officers except those whose restricted duties prevent them from being deployed into dangerous situations. Police staff face a degree of danger in certain roles – detention officers and PCSOs, for example, face a risk of personal injury. Many police staff in middle and back office roles face no greater level of risk than office workers in other occupations.

- 7.5.41 All police officers hold powers that enable them to infringe the liberty of their fellow citizens. Only police staff in certain roles have such powers, and even then they are not as wide ranging as the powers of a constable. The Police Reform Act 2002 gives Chief Constables the power to designate civilian staff as a community support officer, investigating officer, detention officer, or escort officer. In so doing, he confers upon them the powers and duties set out in Schedule 4 of that Act, which include: the power to detain (including the use of reasonable force to do so); to search individuals; to seize and retain items; enter and search any premises; and to issue fixed penalty notices<sup>265</sup>. The power to use force to enter premises is only exercisable in the company, and under the supervision, of a constable; or for the purpose of saving life or limb or preventing serious damage to property<sup>266</sup>.
- 7.5.42 Police staff do not share police officers' obligations to intervene even when off duty. Nor are police staff subject to the same deployment requirements as police officers. Chief Constables are able to require police officers to be deployed in any place, at any time, to conduct any role although, in practice, some police officers on restricted duties cannot be redeployed. Chief Constables are not able to deploy police staff in this way.
- 7.5.43 Police officers are not allowed to join a trade union and they do not possess the right to strike. Police staff do not suffer any restrictions on their industrial rights, and may join a trade union and take strike action. At least one force has negotiated special arrangements on a local basis with its staff unions to make the risk of industrial action more manageable but this does not infringe upon the right to strike.

*Positive aspects of the X-factor*

- 7.5.44 The Royal Commission described some of the positive factors in police work. It said that “[t]he constable’s work does not, however, lack compensating features which should be set against the disadvantages which the recruit accepts on entering the service”<sup>267</sup>. The first advantage of police life identified by the Royal Commission is “the sense of pride that springs from belonging to an organized force possessing a tradition, esprit de corps, and comradeship”. The second was the “special status and esteem in the community” that officers have earned. Thirdly, the Royal Commission says that police officers benefit from
- “doing a man’s job in a machine age. The policeman enjoys an open air life. He is not confined to an office or factory. He escapes much of the dead routine of modern living. His job brings him into touch with people of all kinds, and with a wide variety of individual human problems”*<sup>268</sup>.
- 7.5.45 The Royal Commission noted the excellent training offered by the police service, which allows constables to acquire specialised skills. It also remarked upon the “variety and interest” of police work. Whilst the Royal Commission found that a rural constable “enjoys a substantial degree of independence”, it noted that an urban constable had free time during the day after his shift was finished<sup>269</sup>.
- 7.5.46 The X-factor may be regarded as encompassing a balance between positive and negative factors. The positive factors identified by the Royal Commission are summarised in Table 7.53. An additional column is included to show whether or not these factors apply to police staff in the same way that the Royal Commission considered them to apply to officers.

265 Schedule 4 of the Police Reform Act 2002

266 Section 38 of the Police Reform Act 2002

267 Royal Commission report, paragraph 47

268 *ibid.* paragraph 49

269 *ibid.* paragraph 49

**Table 7.53: Positive factors identified by the Royal Commission, and their applicability to police staff**

Factors identified by the Royal Commission	Equally applicable to police staff?
Pride in organisation, <i>esprit de corps</i>	Yes
Vocation	Yes
Special status and esteem in community	No
“A man’s job in a machine age” – officers are not confined to an office or factory, and encounter people of all kinds and a wide variety of human problems	In some cases (for example, PCSOs)
Excellent training	Yes
Varied and interesting work	No
Independence	No
Free time before or after shifts	Yes
Housing provided	No

7.5.47 Some of these positive factors do not apply to policing now in the same way that they did in 1960. Housing allowances have not been provided for new entrants since 1994. However, many of these factors remain relevant. For example, pride in the organisation, a sense of *esprit de corps*, and excellent training are still features of policing. Although society today is less deferential towards figures of authority, police officers still have a special status and esteem in the community.

#### *Valuing the X-factor*

7.5.48 Since the X-factor does not apply equally to all police officers, but is an unquantified component of the basic pay of all officers, it should be quantified and a corresponding amount should be withdrawn from the basic pay of constables who do not meet the requirements of the X-factor.

7.5.49 Of the previous reviews of police pay, the Royal Commission came the closest to establishing a financial value of the X-factor in its discussion of police pay. It recommended police constables should receive a pay rise on the basis of supplements to a baseline figure derived from an average of basic pay for skilled workers. It recommended constables should receive an additional 45% to compensate them for:

- their liability to work shifts at night, weekends and Bank Holidays without extra payment;
- their inability to undertake remunerative employment outside the police service; and
- the unforeseeable and occasional overtime in excess of the 44-hour week (regular overtime was compensated separately).

7.5.50 The Royal Commission recommended a further supplement, worth 25% of the sum of the baseline and the 45% supplement, to take account of:

- the constable’s duties and responsibilities;
- the drawbacks of police life (exposure to danger, subjection to discipline, and ‘a degree of social segregation’);
- the constable’s knowledge and professional skill; and
- the constable’s physical and personal attributes<sup>270</sup>.

<sup>270</sup> *ibid.* paragraph 178

- 7.5.51 This list of factors does not encompass all of the X-factor elements that earlier pay reviews had identified, but there is a significant degree of overlap. Working on the Royal Commission's calculations outlined above, broadly about 20% of the recommended rate of constables' basic pay was intended to compensate for X-factor components<sup>271</sup>. Since then, police pay has been revised a number of times, not least in 1979-80 as a result of Edmund-Davies, so it does not follow that approximately 20% of current police constable salaries are compensation for the X-factor.
- 7.5.52 There are two general approaches that could be taken in the valuation of the X-factor. The first is to identify all the positive and negative factors that are particular to policing and give a value to the total. The second is to identify the specific elements of the X-factor which some officers do not meet, or are not required to meet, whether because of their roles or their individual circumstances, and establish a financial value of those alone. The preceding analysis indicates that some of the elements of the X-factor are met by all officers all of the time, regardless of their particular circumstances (for example, their inability to strike or join a trade union).

### *Comparators*

- 7.5.53 The establishment of the component parts of the X-factor and their valuation is rare. The only other example of this practice is in the armed services, where a supplement to basic pay to compensate for an X-factor is used. Clearly, the military and the police service are very different, with different purposes and conditions of service, and the X-factor is not the same. It is nonetheless useful to examine the practice of the armed forces given their long experience in this area.
- 7.5.54 The armed forces first introduced an X-factor element into pay in 1970. It is a pensionable addition to basic pay. The Armed Forces Pay Review Body (AFPRB) described the X-factor in its 2007 report as:

*“a component of military pay that recognises the relative disadvantage of conditions of service experienced by members of the Armed Forces compared to those in the civilian sector. It takes account of a range of elements, advantages and disadvantages, which cannot be evaluated when assessing pay comparability. The level of X-Factor ... is not linked to any mechanistic formulae but combines evidence with judgements”<sup>272</sup>.*

- 7.5.55 A report for the AFPRB in 2006 identified 18 components that made up the armed forces' X-factor<sup>273</sup>. The components were grouped together under three headings: 'features of the job', 'impact of the job' and 'social aspects of the job'.
- 7.5.56 There are seven components under the 'features of the job' heading, which are intended to describe the characteristics of military life. The component parts are: adventure and travel; job satisfaction; job security; ban on trade union membership and industrial action; opportunities for promotion and early responsibility; the degree of management control exercised over the individual (armed forces personnel operate within a tightly controlled structure, with less opportunity than their civilian counterparts to take decisions which affect their immediate working environment); and training.
- 7.5.57 The 'impact of the job' category, which defines those aspects of the job that can have ramifications for the individual's personal experience, consists of five components. They are: danger; hours of work (armed forces personnel must be available 24 hours a day for 365 days

271 The 20% figure is arrived at as follows: the 45% supplement constitutes 25% of the total recommended pay award (composed of baseline plus the 45% supplement and the 25% supplement). It compensates officers for three factors, one of which is related to the X-factor. One third of 25% is approximately 8%. The supplement worth 25% of the sum of the baseline and the 45% supplement compensates officers for other X-factor issues. It constitutes 14% of the total recommended pay award. Broadly, therefore, 8% of the total Royal Commission pay recommendation compensated officers for their inability to undertake secondary employment, and 14% compensated officers for other X-factor issues, making a total of 22% of basic pay compensating for the X-factor

272 *Armed Forces' Pay Review Body: Thirty-Sixth Report*, Cmnd. 7315, London, 2007, page 13

273 *Report on the Definitions of the Components of the X-factor*, Inbucon Group for the Office of Manpower Economics, London, 2006

a year, and do not receive overtime payments or shift premia); leave; separation from home and family; and ‘turbulence’. ‘Turbulence’ is defined as the dislocation to family and social life caused by regular changes to both the type and geographical location of work. The effect is exacerbated when the employee receives short notice about these changes. This can have a negative effect on the spouse’s career prospects, children’s education, and chances of home ownership.

- 7.5.58 There are six components to the ‘social aspects of the job’ category. This category describes the wider social effects of membership of the armed forces. The ‘divorce and family’ component reflects the detrimental effect all the components in the ‘impact of the job’ category can have on an individual’s family life, resulting in higher than average rates of divorce. The ‘health and education’ component is included because ‘turbulence’ can result in individuals and their families losing access to NHS health care and state education. The ‘individual rights’ component reflects the fact that armed forces personnel are exempted from certain pieces of legislation (such as minimum wage legislation and some equality legislation) that give legal rights to their civilian counterparts. ‘Stress at work’ is included because armed forces personnel may experience higher levels of stress than would normally be acceptable in civilian occupations. The final two components are ‘support to personnel and families’, covering the various allowances and facilities offered to armed forces families; and ‘travel to work’, which includes the time, method, and cost of travelling to work for members of the armed forces.
- 7.5.59 The X-factor for the armed forces is periodically reviewed by the AFPRB. When first introduced in 1970, it was valued at five *per cent* for men and one *per cent* for women. Since then, its value has been revised on ten occasions. In its most recent review of the value of the X-factor, in 2008, the Armed Forces Pay Review Body (AFPRB) recommended that its value be raised from 13% to 14% of basic pay<sup>274</sup>. This recommendation was accepted by the Government.

## Consultation

### *Response by Association of Chief Police Officers*

- 7.5.60 ACPO says that policing is unique. Police officers’ range of responsibilities and position in a democratic society, combined with the pressures that they face, make their role unlike any other. ACPO believes that it is right that police officers are paid more than other public servants because of the pressures and responsibilities that come with the office of constable.
- 7.5.61 ACPO says that it welcomes a fair and objective assessment of the X-factor to function as a benchmark to explain pay differences between police officers and police staff, and other public sector workers. In making this assessment, both the positive and negative aspects of the police officer’s role should be included in a valuation of the X-factor.
- 7.5.62 ACPO identifies 11 negative aspects of the X-factor. The first of these is danger. ACPO says that “police officers are duty bound to protect the public and uphold the law even when this carries a risk of personal injury” and an increasing threat from the use of firearms<sup>275</sup>. ACPO recognises that the level of risk varies from role to role, but says that all officers accept the risk as a condition of their office. ACPO also notes the risk of psychological harm to which officers are exposed, both through deployment in specialist roles, such as child abuse investigators, and through the exposure to aggression, violence and trauma which is common to many officers.
- 7.5.63 ACPO says that the responsibility to use discretion is a unique pressure placed upon police officers. ACPO argues that officers hold an “ever-greater range of social responsibilities”, which go far beyond fighting crime, resulting in officers facing increased pressure in this regard. It says that officers must now exercise their discretion on issues such as whether or not to take a child or mental health patient into protective custody, and are accountable for the consequences of their decisions<sup>276</sup>.

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274 *Armed Forces’ Pay Review Body: Thirty-Seventh Report*, Cmnd. 7016, London, 2008, page 39

275 ACPO submission, page 10

276 *ibid.* page 13

- 7.5.64 The third component identified by ACPO is the duty to prevent and detect crime even when off duty. ACPO says that most officers have fulfilled this duty at least once in their career, and have placed themselves in harm's way, without the prospect of support from their colleagues, in doing so. ACPO says that this duty is a cause of particular anxiety for those officers who live in areas where crime and disorder are more commonplace<sup>277</sup>.
- 7.5.65 ACPO argues that the prohibition on trade union membership and industrial action is crucial to public confidence in the police and to the service's organisational resilience. However, it is a restriction on officers' industrial rights and should therefore be included in the X-factor. ACPO says that the prohibition on police officers' political activity under the Police Regulations 2003 should also be recognised in the X-factor because it constitutes a restriction on fundamental rights<sup>278</sup>.
- 7.5.66 ACPO notes the various causes of disruption to an officer's family life, and argues that they should be included in the X-factor. Daily tours of duty are regularly altered or extended. Operational demands can result in officers working many additional hours, sometimes far from home. This can cause particular problems for officers with caring responsibilities. Officers' permanent role or place of work can be changed at short notice, requiring them to find a new home or accept a longer journey to work. Officers can be moved to any role, sometimes taking them away from a specialism that particularly interests them and for which they have developed expertise, resulting in a lack of control over career direction<sup>279</sup>.
- 7.5.67 ACPO says that officers' leave restrictions should also be included in the X-factor. Whilst recognising that restrictions on when leave may be taken are common to many occupations, ACPO notes that police officers are required to work on bank holidays too. It argues that restrictions on when leave may be taken are likely to become more common due to the demands of policing the Olympic Games, and the effect of budget cuts<sup>280</sup>.
- 7.5.68 ACPO argues that some police officers "face hostility from those around them as a direct result of their profession". It says that, although this problem is most serious in Northern Ireland, it applies across the United Kingdom and should be included in the X-factor<sup>281</sup>.
- 7.5.69 ACPO says that there are positive elements in the police officer X-factor. The first of these is the high level of job security, since police officers are protected from redundancy. The second positive element is the many opportunities for lateral development offered by the police service, along with the interest and excitement of the work. Thirdly, ACPO argues that the police service offers officers "extensive training during working hours and at public expense"<sup>282</sup>.
- 7.5.70 Table 7.54 summarises the factors that ACPO argues should be included in any assessment of the X-factor.

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277 *ibid.* page 14

278 *ibid.* pages 14-15

279 *ibid.* pages 16-17

280 *ibid.* page 18

281 *ibid.* page 18

282 *ibid.* page 19

<b>Table 7.54: ACPO's suggested list of components of the police officer's X-factor</b>	
<b>Negative aspects</b>	<b>Positive aspects</b>
Being placed in harm's way	Higher level of job security
The responsibility of the use of discretion	Opportunities for lateral development, public service, variety and excitement
Duty to prevent and detect crime on and off duty	Training
Prohibition from trade union membership and industrial action	
Prohibition from political activism	
Disruption to family life	
Restrictions on when leave is used	
Hostility towards police officers in some communities in which police officers live	
<i>Source: ACPO submission.</i>	

- 7.5.71 ACPO identifies three other factors that are commonly said to be part of the police officer X-factor, and argues that they should not be included. First, ACPO says that restrictions on where officers can live are now largely redundant in England and Wales and therefore should not be included. However, ACPO recognises that it is a highly relevant factor in Northern Ireland, and suggests that it should be compensated for in the Northern Ireland X-factor.
- 7.5.72 Secondly, ACPO argues that there are, in practice, very few restrictions on levels of personal debt and therefore this factor should not be included. Thirdly, ACPO argues that restrictions on secondary employment for police officers are not unique, and, in any case, most applications are approved. It says that in June 2011, 8,618 of 153,000 serving British police officers (representing 5.6%) had second jobs or outside business interests.
- 7.5.73 ACPO recognises that some of these factors will apply more or less to different officers, depending upon their roles and circumstances. It argues that they must, however, be taken in the round as this is how they are experienced by officers, and warns that any attempt to decouple individual factors from the whole would damage officer camaraderie and the collective vocational ethos on which the police service depends.

*Response by the Association of Police Authorities*

- 7.5.74 The APA says that there are both positive and negative aspects of the police officer's role, and they should both be taken into account in calculating the X-factor. The APA's conception of the component parts of the X-factor are summarised in Table 7.55.

<b>Table 7.55: The APA's suggested list of components of the police officer's X-factor</b>	
<b>Negative aspects</b>	<b>Positive aspects</b>
No right to strike	Job security
Subject to recall to duty	Training
Responsibilities and behavioural standards in private life	High social status
Subject to lawful order by a chief officer	Currently favourable pension entitlements
Restrictions on political activity	Comparably good pay and benefits
<i>Source: APA submission.</i>	

- 7.5.75 The APA says that there are other characteristics that are not unique to policing, but should nevertheless be rewarded financially in those posts in which they are present. These are: risk of personal injury or death; shift work, 24-hour duty, and unsocial hours; physical and psychological stress; media and public scrutiny.
- 7.5.76 The APA believes that the X-factor should be determined nationally and apply to all police officers but not to police staff, because the APA considers the X-factor to be “in recognition of specific attributes associated with the ‘Office of Constable’”. It argues that a similar concept could be developed for police staff to recognise the constraints they face in particular roles, for example, to compensate staff who are subject to ‘recall to duty’ obligations<sup>283</sup>.

*Responses from police forces and police authorities*

- 7.5.77 A number of police forces and police authorities submitted lists of factors that they thought should be included in the calculation of the X-factor. There is much common ground in them, and with the representations of ACPO and the APA. The following additional factors are also said to be relevant:
- officers can be ordered to work anywhere in the country, in any role at their rank;
  - physical health problems brought on by the ‘wear and tear’ of the job; and
  - the authority to deprive citizens of their liberty.
- 7.5.78 The Metropolitan Police Service, along with the Derbyshire, Leicestershire, Lincolnshire, Nottinghamshire and Northamptonshire police forces, say the X-factor should not apply to police staff because their pay is determined by reference to job evaluation, and job evaluation should identify all the elements of a job, including any of the X-factor components. They will therefore be compensated for in police staff basic pay.

*Response by the Police Federation of England and Wales*

- 7.5.79 The Police Federation says that the office of constable places significant restrictions on the behaviours and activities of officers. It says that the heavy workload and danger of a police officer’s job also creates a burden on his life outside work and on that of his family. The Police Federation argues that Edmund-Davies’ statement, that the police, along with the judiciary and the armed forces, occupy a unique role in a democratic society, remains true today, and means that police officers are subject to unique restrictions for which they should be financially compensated.
- 7.5.80 The Police Federation suggests that the following list of factors should be included in a calculation of the X-factor:
- officers can be flexibly deployed and must respond to emergencies at all times;
  - officers must maintain high standards of behaviour even when off duty;
  - officers may not refuse a lawful order and cannot take part in industrial action;
  - restrictions on political activity;
  - unpredictable working patterns, uncertain and lost leave;
  - restrictions on secondary employment and business interests including, in some cases, those of partners and family living with an officer;
  - officers may be forced to move home due to threats of violence or terrorism;
  - stress and psychological harm;
  - restrictions on personal debt; and
  - risk of serious injury or death.

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283 APA submission, paragraph 49

- 7.5.81 There is also a ‘Y-factor’, in the view of the Police Federation. It is “based upon a shared commitment and understanding among all officers of the importance of their role for the protection and safety of the public”<sup>284</sup>. It consists of officers making themselves available to the force and the public outside working hours; staying late, beyond regular hours, to finish pieces of work, without seeking financial reward; taking responsibility for work and understanding how it relates to policing more generally; and being proactive<sup>285</sup>. It applies, says the Police Federation, to all officers in all roles.

*Response by the Police Superintendents’ Association of England and Wales*

- 7.5.82 The Police Superintendents’ Association argues that the police officer X-factor is difficult to quantify, but is nonetheless very real. The list of factors it provides in its submission is largely the same as provided by other respondents. However, it includes one feature that others do not – officers cannot marry, or associate with, people with criminal records.
- 7.5.83 The Police Superintendents’ Association recognises that there are positive aspects to policing that should be taken into account, and offers some positive factors not identified by other respondents: the cheaper insurance and better credit ratings available to police officers, and the high employment rate of officers who have retired after 30 years’ service.
- 7.5.84 The X-factor should not apply to police staff, in the Police Superintendents’ Association’s view, as the X-factor is a product of officers’ warranted powers, such as the power of arrest, which police staff do not possess.

*Response by UNISON*

- 7.5.85 UNISON argues that the X-factor “describes a continuum of constraints that apply in differing degrees to both police officers and to police staff”. UNISON argues that although the X-factor for staff may not be the same as the X-factor for officers, it is nonetheless present and staff should be compensated for it. UNISON argues that the staff X-factor should be paid as an allowance, and should be set in relation to the officer X-factor.
- 7.5.86 UNISON provides a list of factors that, it argues, constitutes an X-factor for staff, which is quoted in full below:
- *“pre- and post-employment vetting, including information regarding family members;*
  - *pre-employment DNA and fingerprint searches against crime scene data;*
  - *drug testing in specific occupations;*
  - *prohibition on outside employment and business interests;*
  - *restrictions on outside association (inappropriate association policies);*
  - *restrictions on the level of personal debt;*
  - *restrictions on outside political activity;*
  - *prohibition on raising a complaint to the Independent Police Complaints Commission regarding the actions of their force in the context of private life activity (e.g. false arrest);*
  - *police staff ‘Standards of Professional Behaviour’ policy applied by forces to off-duty police staff conduct, as well as to work situations;*
  - *ability of forces to recycle information gathered as part of criminal investigations in police staff disciplinary procedures;*
  - *requirement to disclose cautions and civil proceedings to the employer, with likely consequences for employment;*
  - *requirement to disclose when called as a witness in any criminal or civil court proceedings;*

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284 Police Federation submission, page 4

285 *ibid.* pages 18-19

- *mandatory retention on duty and recall to duty in some forces, and associated disruption of private life;*
- *prohibition on annual leave during key periods, for example, between April and August 2012 in respect of the Olympics; and*
- *risk of injury is high in operational police staff roles such as detention officer and PCSO*<sup>286</sup>.

7.5.87 UNISON argues that because of the differing employment statuses of officers and staff, staff are at much greater risk of losing their jobs following a contravention of the above X-factor conditions than are police officers<sup>287</sup>.

### *Seminars*

7.5.88 At the basic pay seminar held on 21 July 2011, Mr John Marsh of Ernst and Young argued that there should be no financial value placed on any aspect of the X-factor. He said that individuals are aware before they join the police service of the constraints that police officers face, and therefore they are part of the contract an officer makes when he joins a force<sup>288</sup>.

7.5.89 Mr Ben Priestley of UNISON argued that the X-factor should be taken into account through job evaluation, alongside all the other demands of the job<sup>289</sup>. Mr David Pyper of Hay Group said that the importance of the X-factor in the military is the message that it sends to officers and other ranks – that they are doing something special that society values. Without that communication aspect, he argued, it is simply a part of basic pay<sup>290</sup>.

### *Website*

7.5.90 Many people who posted comments on the review website say that the unique aspects of policing should be taken into account when determining basic pay. One respondent said: “[b]asic pay should reflect the unique position of the office of constable and should reflect the fact that as a holder of the office it has impacts on your home and personal life”. Another respondent summarises these factors as “[d]anger, shift work that is often changed at short notice, increased levels of responsibility, huge diversity of role, restrictions on private lives, debilitating emotional effects, stress and the negative impact on family life”.

## **Conclusion**

7.5.91 The evidence from consultation respondents and a study of past police pay reviews show that there is widespread agreement that certain aspects of a police officer’s role are peculiar to policing, and the combination of these factors makes policing unique.

7.5.92 There are differing conceptions of what factors constitute the X-factor in policing, and the consultation responses have included propositions for inclusion which were not considered by earlier police pay reviews. However, there is a high degree of consensus about what are the core components of the X-factor, and many of these factors have changed remarkably little since Desborough’s first formulation in 1919.

7.5.93 This section considers three issues. First, I give my view of what constitutes the X-factor for police officers. Secondly, I address the issue of the X-factor for police staff. Finally, I make recommendations on the valuation of the X-factor.

### *X-factor for police officers*

7.5.94 For the reasons given above, it is clear that there is an X-factor in policing. Police officers have responsibilities, and face constraints, unlike those of most other public servants. As

286 UNISON submission, pages 20-21

287 UNISON submission, page 21

288 Basic pay seminar (2011), page 88

289 *ibid.* page 91

290 *ibid.* page 89

Desborough put it, a policeman “has responsibilities and obligations which are peculiar to his calling” which entitle the police “to special consideration in regard to their rate of pay”<sup>291</sup>. This view was echoed by the Royal Commission of 1960, which stated that a policeman’s “individual responsibility is more onerous than any delegated to, or assumed by, a member of any comparable profession or occupation”<sup>292</sup>. In the same vein, Edmund-Davies found that “[t]he unique role of the police officer is reflected in the unique restrictions and limitations to which he is subjected”<sup>293</sup>. It is right that the basic pay of police officers should include appropriate compensation for the X-factor, because basic pay in any job is the reward for the integral aspects of that job, and the X-factor is integral to policing. For this reason, the X-factor should not be compensated for in an allowance.

7.5.95 Many consultation respondents say that there are positive as well as negative aspects of the police officer X-factor. I agree with that view. Any assessment of the X-factor must take into account not only the heavy responsibilities, risks and constraints that are part of policing; it must also balance those out with the unique benefits of being a police officer.

7.5.96 Having regard to the representations of consultees and the evidence submitted to the review, my conclusion is that the negative parts of a police officer’s X-factor are as follows:

- **Discretion** – Police officers are invested with very substantial powers and are required to exercise individual discretion, often without supervision, on matters of very great importance – concerning the liberty and safety of the citizen – from the very beginning of their careers. There is no comparable occupation that places such great individual responsibility on new recruits. Further, police officers are personally answerable before the courts for the decisions they make. It should be borne in mind that this factor contains a strong positive element too. The high level of responsibility given to officers in even the most junior rank is one of the attractive aspects of policing. It makes it an interesting and rewarding profession.
- **Deprivation of liberty** – Police officers have the power to deprive their fellow citizens of their liberty through the power of search and arrest. The use of this power in a free society requires exceptional integrity and judgment.
- **Use of coercive force** – Police officers may, under certain conditions, legitimately use force against their fellow citizens in order to prevent offences against people and property, conduct a search or arrest, and maintain The Queen’s peace.
- **Deployment** – Officers may be called to duty at any time. They can be deployed into any role at their rank, in any location, at the direction of their Chief Constable.
- **Requirement to intervene** – Police officers have a duty to prevent and detect crime both on and off duty.
- **Danger** – Police officers must protect the public and uphold the law despite any risk to their personal safety. The risk of physical or psychological harm is present in many of their duties.
- **Disruption to family life** – Officers may have leave cancelled at short notice. Restrictions can be placed on when officers may take leave. They may be required to work extended hours, and daily tours of duty may be altered or extended. Officers’ roles and places of work can be changed at short notice. These restrictions can have an adverse effect on a police officer’s family life, particularly for those with childcare responsibilities.
- **Prohibition on trade union membership and industrial action** – Police officers may not join a trade union or take part in any form of industrial action. The armed forces and the judiciary are the only occupations comparable in this regard. The restriction on trade union membership deprives police officers of the ordinary means of collective representation in matters of industrial relations, and must be reflected in any consideration of police pay.

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291 Desborough report, paragraph 28

292 Royal Commission report, paragraph 34

293 Edmund-Davies report (2), page *viii*

- **Restrictions on political activity** – Police officers face wide-ranging restraints on their participation in political activity. This is necessary in order to maintain the neutrality of the police service, but is a significant restriction on the civic rights of the individual.

7.5.97 There are also positive aspects to the police officer's X-factor, which must be weighed in the balance when valuing the X-factor, are:

- **Early responsibility** – Officers are given a high level of discretion and responsibility from the outset of their careers. The adverse aspect of this is captured in the negative factors list above.
- **Excitement and variety** – A career in policing gives officers the opportunity to undertake exciting work, and officers may work in an unusually wide variety of roles compared with most occupations.
- **Job security** – Police officers have a high level of job security<sup>294</sup>.
- **High quality training** – Police officers receive quality training that not only makes them more effective police officers, it also provides them with highly desirable skills that make them attractive potential employees in the wider labour market.
- **Vocation and public service** – Police officers can derive real satisfaction from their work, the crucial contribution they make to their own communities, and the maintenance of a safe, peaceful, democratic society.
- **Pride in the organisation for which they work** – As the Royal Commission said, police officers benefit from the comradeship and *esprit de corps* of the police service. This is as true today as it was in the early 1960s.
- **Special status and esteem in the community** – Police officers are held in high esteem by many members of the community. Whilst society today is not as deferential towards figures of authority as it was in the past, police officers are still widely respected for their public service.

7.5.98 There are a number of factors that should not be included in an assessment of the police officer X-factor. These are:

- **Housing restrictions** – ACPO argues that in England and Wales very few officers experience restrictions on where they may live. I accept this point. Historically, officers faced substantial constraints, mainly to ensure operational resilience, but they rarely do so today. Therefore, I do not think that housing restrictions are sufficiently burdensome to be included in an assessment of the X-factor for police officers in England and Wales. By contrast, officers in Northern Ireland can face very serious problems in this regard. I noted this difference in my Part 1 report. Although Northern Ireland is outside my terms of reference, I recommended that the Police Service of Northern Ireland and the Northern Ireland Policing Board should review the allowance given to officers in Northern Ireland with a view to increasing it.
- **Restrictions on secondary employment and business interests** – This restriction should not be included in the X-factor because workers in many occupations are prevented from taking secondary employment. Police officers are not unusual in facing this restriction. Furthermore, ACPO says that the majority of applications made by police officers are approved by Chief Constables.
- **Personal debt** – Schedule 1 of the Police Regulations 2003 states that officers “shall not wilfully refuse or neglect to discharge any lawful debt”. ACPO says that “there are in reality very few restrictions placed on an officer's borrowing” and that therefore it should not be included in the X-factor<sup>295</sup>. I agree with ACPO's submission, for the reason it gives.

<sup>294</sup> Chapter 6 includes a recommendation that a power of compulsory severance should be introduced for police officers. Even if this is implemented, police officers will have a level of job security comparable with many others working in the public sector, and greater than is common in the private sector

<sup>295</sup> ACPO submission, page 16

The fact that the Police Mutual Assurance Society has warned that officer debt is a problem shows that officers are not, in practice, prevented from taking on personal debts.

- **The ‘Y-factor’** – The Police Federation argues that there is also a ‘Y-factor’ for police officers, “based upon a shared commitment and understanding among all officers of the importance of their role for the protection and safety of the public”<sup>296</sup>. In practice, it is made up of the work officers do outside their normal hours, being proactive, and taking responsibility for their work. I do not accept that there is a separate ‘Y-factor’. The duty to intervene to prevent crime even when not on duty is contained within the X-factor as I have defined it above. The work officers perform outside their normal hours is remunerated through overtime payments. It is a requirement common to a very large number of occupations that personnel should actively take responsibility for their work. There is nothing unique about policing in this regard. The Police Federation’s case in this respect is misconceived.
- **Restriction on membership of the British National Party, Combat 18 and the National Front** – Annex AA of Schedule 1 of the Police Regulations 2003 prevents officers joining these organisations. Whilst this is a restriction on the political freedom of police officers, it is not one for which they should be compensated, as membership of these organisations is incompatible with being a police officer. Membership of extremist organisations is incompatible with many occupations.

#### *X-factor for police staff*

- 7.5.99 Consultation respondents were far from unanimous on the issue of whether or not the X-factor applies to police staff as well as police officers. Many respondents argue that the X-factor should not apply to staff because the bulk of the police officer X-factor derives from the office of constable and police regulations, neither of which applies to police staff. UNISON provides a convincing counter-argument that although police staff do not face the same constraints or hold the same responsibilities as police officers, they face constraints of their own which, taken together, constitute a police staff X-factor. The evidence provided by UNISON shows that police staff face constraints that are peculiar to their occupations.
- 7.5.100 Whilst it is not the intention of this review to quantify the police staff X-factor, or to recommend the removal of any part of it from any member of staff, it is important that the position of police staff is recognised. The police staff X-factor is not the same as the police officer X-factor, but, like the police officer X-factor, it is a component that is already present in basic pay. Police staff face some burdensome restrictions on their behaviour, along with intrusions into their personal lives. I consider the following factors to be sufficiently unusual, or of sufficient degree, to make up a police staff X-factor, for the reasons given against each:
- **Pre-employment DNA and fingerprint searches against crime scene data** – This is a far more intrusive pre-employment requirement than is found in most occupations.
  - **Restrictions on political activity** – Only a small number of other occupations place restrictions on political activity.
  - **Prohibition on raising a complaint to the Independent Police Complaints Commission regarding the actions of their forces in the context of their private lives** – This is a restriction that is unique to policing, and deprives staff of an important avenue for redress if they are, for example, victims of wrongful arrest.
  - **Disruption to social life** – in those roles where retention on or recall to duty is mandatory. Whilst other occupations require employees to work unsocial hours, or extended hours to ensure completion of particular pieces of work, the work of police staff in tackling the riots of summer 2011 showed that the disruption to social life can be particularly intense in policing.

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296 Police Federation submission, page 4

- **High risk of harm** – in those roles, such as PCSOs and detention officers, that bring staff into direct contact with sometimes violent members of the public.

7.5.101 Some of the factors that UNISON argues constitute a staff X-factor are too general in nature to be considered an X-factor. Pre-employment vetting, drug testing, a prohibition on secondary employment, a requirement to disclose cautions and civil proceedings to the employer, and adherence to a code of professional behaviour are present in many occupations. These requirements are intrusive and restrictive, but they are by no means peculiar to policing, and therefore they should not be considered part of the police staff X-factor.

#### *Quantification of the officer X-factor*

- 7.5.102 I recommend in Chapter 5 that the portion of police officer basic pay that compensates officers for the deployment and danger elements of the X-factor should be removed from the small minority of officers who will not be able to pass the test I set out in Chapter 5 regarding deployment into dangerous situations<sup>297</sup>. This recommendation is explained in greater detail in Chapter 5. In 2010/11, there were 6,137 officers on restricted duties. Since only some of these officers would be affected by the recommendation, this figure represents the maximum number of officers who could be affected. The purpose of quantifying the deployment and danger elements of the X-factor is to establish how much pay should be withdrawn from these officers.
- 7.5.103 It is important that only that portion of X-factor pay which compensates officers for the deployment and danger elements of the X-factor is removed. The other constituent parts of the X-factor apply equally to all officers. For example, an officer on restricted duties faces the same restrictions on political activity and union membership as every other officer, and it is right that he is compensated for those restrictions in the same way. Where there are variations caused by differences in role – for example, response officers face greater disruption to their family lives than those in office jobs working office hours – these are compensated separately (in this example, through the new unsocial hours payments). That small minority of officers from whom pay compensating for the deployment and danger components of the X-factor should be removed will continue to receive compensation in their basic pay for all the other component parts of the X-factor.
- 7.5.104 Since it is only compensation for the deployment and danger components of the X-factor which should be removed, they are the only components to which I will attach a monetary value. Upon my recommendation, compensation for all of the other elements should not be removed.
- 7.5.105 For the same reason, I do not propose to attach a monetary value to the police staff X-factor. Compensation for the staff X-factor already exists within basic pay and should not be removed. Therefore, it is unnecessary to quantify it.
- 7.5.106 The quantification of the X-factor should be conducted on the basis of evidence that the labour market elsewhere compensates individuals for specific factors. Professor Disney's economic analysis considers in detail four issues that are closely related to the X-factor, namely: (a) mortality risk during working life; (b) mortality risk following retirement; (c) stress; and (d) deployment. He considers how employers compensate their staff for these factors. They are used because they are measurable. Some components of the X-factor are not directly measurable. Measures of mortality risk and stress are used as the best available proxies for the danger component of the X-factor.
- 7.5.107 Professor Disney finds that police officers face a slightly increased risk of mortality during their working years compared with those in other occupations. This increased risk appears to be mainly derived from the risk of being involved in motor vehicle accidents, and the 2008 review of police injury benefits found that many of these accidents occurred when officers were driving to or from work rather than in the course of active duty. Professor Disney argues that it would hard to justify a premium of more than one *per cent* of pay on the basis

<sup>297</sup> Chapter 5 contains full details of the test that I recommend should be used to determine which officers should lose X-factor pay

of mortality risk during working life. This factor should not be included in police office pay because people in many occupations drive to work, and drive as part of their jobs.

- 7.5.108 Professor Disney finds that police officers do not have a lower life expectancy in retirement than those in many other occupations. Indeed, he notes the fact that those in public sector occupations, such as policing, typically have longer life expectancy than occupations as a whole.
- 7.5.109 Professor Disney finds that stress at work does attract a pay premium, typically in the region of eight to nine *per cent*. About half of this premium is related to the occupation itself, with the other half related to how the job is carried out.
- 7.5.110 Finally, he finds that there are no wider labour market comparators for the deployment aspect of policing, although he remarks that it is broadly similar to the turbulence factor in the military X-factor (the dislocation to family and social life caused by regular changes to both the type and geographical location of work), and notes that Edmund-Davies' decision to increase basic pay by nine *per cent* to account for unsocial hours is not the same as, but is related to, deployability.
- 7.5.111 It is important to identify which of these premia do and do not apply to officers on restricted duties, since the purpose of quantifying the X-factor is to establish how much money should be withdrawn from officers unable to pass the test set out in Chapter 5 regarding deployment into the public-facing roles that are inherently more hazardous than back- or middle-office roles.
- 7.5.112 The mortality risk following retirement is irrelevant for these purposes, as the review is concerned with factors that relate to the deployment of officers into potentially hazardous situations, and this no longer applies once an officer has retired, whether or not he was on restricted duties during his service.
- 7.5.113 Professor Disney considers the risk of exposure to stress particularly pertinent to police officers. A study of the role of stress in pay determination cited by Professor Disney suggests that, on average, stressful jobs carry a premium of about eight to nine *per cent* over jobs regarded as not stressful. Of the total premium, about half (four *per cent*) is related to the occupation, and the other half is related to the way the job is actually carried out. The four *per cent* that relates to the occupation of being a police officer should apply to all officers, regardless of whether they are on restricted duties or not, because it relates to the occupation of being a police officer, not the way the job is actually carried out (the fact that an officer is in a frontline role or not is irrelevant). However, the other four *per cent* that is related to the way the job is carried out is a useful proxy for the more stressful situations that officers encounter when dealing with higher risk, public-facing roles. I recommend that four *per cent* of basic pay should represent the premium for officers able to be deployed into public-facing roles where they are most likely to encounter highly stressful situations, such as the violence and threats of violence to which police officers were subjected in the riots of summer 2011.
- 7.5.114 The deployment factor is the hardest to quantify. There is no definitive labour market evidence on which to base the quantification, but intuitively it is right that there is some financial recognition of the value of being able to deploy an officer into any role, in any place, at any time, and this point has been recognised by consultation respondents as well as Professor Disney. Secondly, a similar factor, called turbulence, exists in the military X-factor. It is defined in an Office of Manpower Economics (OME) research report as “the dislocation to family and social life caused by regular changes to both the type and geographical location of work”<sup>298</sup>. Deployability is clearly an important aspect which would carry significant weight amongst all the components that make up the X-factor because it is a central requirement of policing. It does not contain any balancing positive element, in the way that discretion does, for example. Discretion has a negative aspect – officers are given a heavy responsibility unusually early in their career, and are answerable before the courts for their decisions – but also a positive one: early responsibility is one of the attractions of policing. Were the discretion

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298 *Report on the Definitions of the Components of the X-Factor*, Inbucon Group for the Office of Manpower Economics, London, 2006

component of the X-factor to be quantified, the positive and negative aspect would have to be balanced against one another. The deployment component of the X-factor, by contrast, does not have a positive aspect.

- 7.5.115 Professor Disney argues that a “figure of eight to ten *per cent* seems ... appropriate, capturing as it does the various factors ... that are intrinsic to the work of police officers”. The lower end of this range should be adopted because this is a new policy, the effects of which should be carefully reviewed. If it is found that the value of the deployment and danger components of the X-factor has been set too low, it can be raised in the future. It is preferable to set the value at a conservative level at the outset, rather than over-value it and unfairly disadvantage those officers affected by the policy. I therefore recommend that the deployment X-factor, to be withdrawn from those officers who fail the tests set out in Chapter 5, should be quantified at eight *per cent* of a constable’s basic pay<sup>299</sup>. Wider recommendations on a new approach to restricted duties, including details of phasing and transitional arrangements can be found in Chapter 5.
- 7.5.116 Of all the ranks, it is right that constables face the greatest susceptibility to be deployed to the front line. Accordingly, the X-factor should taper in value as a percentage of total pay for higher ranks to recognise the diminishing importance of the danger and deployment components of the X-factor in their jobs<sup>300</sup>. Basic pay for the higher ranks rewards management and leadership skills, in addition to the competencies acquired as a constable, and these skills become increasingly important as an officer ascends the chain of command. The taper should be implemented by valuing the X-factor for all ranks above constable as a set cash amount. It will, therefore, taper in value as a proportion of total income for each rank.
- 7.5.117 The set cash amount should be calculated as eight *per cent* of a constable’s pay at the maximum of his pay scale. It should be based on a constable’s pay because constables, of all ranks, are the most susceptible to be deployed into front line roles. On the current pay scales, a constable at the maximum of his pay scale is paid £36,519, of which eight *per cent* is £2,922. Therefore, I recommend that the deployment X-factor for officers in all ranks above constable, including Chief Constable (and the ranks above Assistant Commissioner in the Metropolitan Police Service), to be withdrawn from those officers who cannot meet the tests set out in Chapter 5, should be valued at £2,922. For ease of reference, Table 7.56 sets out the cash value of the X-factor for those constables on the proposed new pay scale.

**Table 7.56: Value of the deployment element of the X-factor at each point on the recommended constable pay scale**

Pay point	Salary (£)	Value of X-factor at 8% of basic pay (£)
0	£19,000	£1,520
1	£21,000	£1,680
2	£22,000	£1,760
3	£23,000	£1,840
4 (Foundation Threshold)	£25,500	£2,040
5	£27,700	£2,216
6	£31,032	£2,483
7 (Specialist Skills Threshold)	£36,519	£2,922

299 The tests set out in Chapter 5 to determine who should lose their deployment X-factor pay are as follows: (a) whether the officer is fully deployable, that is whether he is sufficiently fit to take and pass personal safety training and the associated fitness test; (b) whether the officer is capable of and is doing a job which requires him to have police powers; (c) whether the officer is capable of and is doing a job which could not be carried out by a member of police staff

300 The X-factor for the military is tapered through the ranks. See *Thirty-Seventh Report*, Armed Forces Pay Review Body, 2008, page 43

- 7.5.118 Because it has always been part of an officer’s basic pay, the X-factor should remain pensionable. Under this recommendation, the great majority of officers will not see any difference in their pay. However, the introduction of the deployment X-factor, as part of the package of reforms which are recommended in Chapter 5, will ensure that officers are fairly rewarded.
- 7.5.119 The value of the deployment component of the X-factor should be reviewed from time to time to ensure that it takes account of any changes to policing in the future. Its value should rise in proportion to future pay increases at constable rank. A review of its value as a proportion of constables’ basic pay should take place every five years to ensure that it is kept up to date. The new police pay review body recommended in Chapter 10 would be the appropriate body to conduct the review.

**Recommendation 71 – The deployment component of the police officer X-factor should be established to be 8% of basic pay for constables. For other ranks, it should be expressed in cash terms, benchmarked at 8% of the maximum of constables’ basic pay.**

**Recommendation 72 – The value of the deployment component of the X-factor should be reviewed every five years. The new police pay review body, recommended in Chapter 10, should conduct the review.**

## 7.6 Regional pay

### Background

- 7.6.1 Although police officer pay has been set nationally since 1918, it has, since then, continued to contain an element which is subject to local or regional variation. These variations have usually related to local housing costs or the conditions of local employment markets. By contrast, police staff pay has been locally determined since 1996.
- 7.6.2 This section considers the case for reform for the longer-term, and the possible introduction of a more radical system of police pay being set according to local market conditions rather than on the present national scale.

### History

- 7.6.3 In the 19<sup>th</sup> century, basic pay for police officers varied from force to force, and was determined differently in the city, borough and county forces, as well as in London. City and borough forces had their pay rates set by the local watch committees, with no national oversight or coherence. The pay of the Metropolitan Police Service was set by the Home Secretary.
- 7.6.4 County forces had their pay set by the Home Secretary. However, the Home Secretary did not prescribe a single national rate. In the 1839 regulations for county police pay, the Home Secretary established broad parameters within which local magistrates could choose the pay rates for their forces<sup>301</sup>. When the rules were revised in 1886, the Home Secretary laid down seven different salary scales which were to be adopted “according to local circumstances”<sup>302</sup>.
- 7.6.5 The 1886 pay scales were not revised until they were superseded by developments at the end of the First World War. They became outdated, but county forces still needed to seek the approval of the Home Secretary to raise pay beyond the maximum of the 1886 scales. This led to increasing diversity of pay rates.

301 *Rules Made by the Marquess of Normanby For Establishing an Uniform System for the Government, Pay, Clothing, Accoutrements, and Necessaries for Constables*, London, 1839

302 *County Constabulary (England) Rules*, London, 1886, page 2

- 7.6.6 The cost of living doubled during the First World War. Police pay was not increased in line with inflation, and by 1918, many police families had fallen into poverty. The problem was severe. Police authorities tried to tackle the problem by granting war bonuses. The rates of war bonuses varied, and this led to an increase in the pay discrepancies as between forces<sup>303</sup>. It was left to police authorities, working together on a regional basis, to find ways to uprate pay without creating inter-force competition<sup>304</sup>. This was unsustainable. In 1918, they asked the Home Office to take responsibility for police pay and to introduce a new Exchequer Grant to cover half the cost of the police service (the other half being funded through local taxation)<sup>305</sup>. The Home Office supported this suggestion, but failed to secure the necessary Treasury approval<sup>306</sup>.

*The Desborough Committee of 1919*

- 7.6.7 The August 1918 police strike in London led to significant changes in police pay, representation and the arrangements for police funding. In March 1919, the Government appointed a committee under Lord Desborough to review the pay and conditions of service of the police. The committee worked quickly, and by May 1919 it told the Home Secretary that its main recommendations were likely to be substantially higher pay for the police, standardised for all forces, and the establishment of machinery which would enable the police to make representations to the Home Office. In May 1919, the Home Secretary gave an undertaking to accept the Desborough committee's recommendation to raise police pay very substantially.
- 7.6.8 Having accepted the case for an increase in police pay, the Treasury raised its share of funding to 50% of the total cost of all police forces, as had been requested by police authorities and the Home Office. Two new pay scales were introduced, covering all forces – city, borough, county and the London forces. Almost all forces adopted one of these two scales<sup>307</sup>.
- 7.6.9 Desborough's recommendation of a single national rate of pay for all police forces, including the Metropolitan police, was made on the basis that "the duties of a policeman are fundamentally the same in character throughout [England, Wales and Scotland] ... [and] such differences as exist between one force and another do not justify ... wide differences in pay"<sup>308</sup>.
- 7.6.10 In order to reinforce the move towards standardised pay and reward for police officers, Desborough also said that "housing conditions should be assimilated". The Committee recommended "that all ranks should either be provided with houses rent free, or ... should receive a non-pensionable allowance in lieu". Since housing costs varied significantly throughout the country in 1919, just as they do today, this was, in effect, a form of local pay.
- 7.6.11 Desborough also recommended the cessation of local cost of living allowances, arguing that the provision of housing removed the need for adjustments to reflect the cost of living<sup>309</sup>.

*The Oaksey Committee of 1948*

- 7.6.12 Oaksey reviewed police pay shortly after the Second World War in response to a recruitment and retention crisis in the police service which a series of pay rises from 1945 onwards had failed to solve.
- 7.6.13 Like the Desborough committee before it, the Oaksey committee examined the case for regional or local pay for the police service. Oaksey recognised that 'provincial differentiation' in pay was "a common feature in many other employments, its justification being that there are differences in the cost of living in different types of community"<sup>310</sup>.

303 Desborough report, paragraph 25

304 Dixon report, page 67

305 *ibid.* page 67

306 *ibid.* page 68

307 Desborough report, paragraph 27

308 *ibid.* paragraph 22

309 *ibid.* paragraph 66

310 Oaksey report, paragraph 27

7.6.14 Oaksey considered “that provincial differentiation of one kind or another is necessary if the emoluments of constables and sergeants in the different police forces are to be roughly equivalent in value”, but found that Desborough had already dealt with this issue because:

*“differing levels of rent and rates in different regions of the country are in great measure the justification for provincial differentiation, and while the system of rent allowances remains in force we see no need for any further differentiation between forces outside London”<sup>311</sup>.*

7.6.15 However, contrary to Desborough, Oaksey considered London to be a special case because of its higher cost of living, and recommended for “constables and sergeants in the Metropolitan and the City of London police forces a small, non-pensionable ‘London allowance’”. It was to be worth £10 a year, representing about three *per cent* on top of the salary of a constable at the bottom of the pay scale<sup>312</sup>.

#### *The Royal Commission on the Police of 1960*

7.6.16 The Royal Commission was established to review police pay after it had once again fallen behind increases in the cost of living and pay rises elsewhere in the economy.

7.6.17 The Royal Commission rejected in principle the idea of ‘provincial differentiation’ whereby higher rates of pay would be available in areas where recruitment was particularly difficult and wastage rates high<sup>313</sup>. It did so on the following grounds:

- the job is broadly the same everywhere in the country;
- a uniform national rate of pay has great significance for all of those associated with the police;
- there are difficulties in defining boundaries between different pay areas;
- there would be unjust anomalies in the award of pensions; and
- if provincial pay differences were a temporary measure, to be discontinued when the force was brought up to full strength, the change in pay would be unsettling to the force.

7.6.18 The Royal Commission recommended that the London allowance (introduced by Oaksey and worth £20 a year since 1954) be maintained because it was of “long standing”, although it agreed with the Police Federation’s submission that a London allowance should not be needed if police pay was set at the right level<sup>314</sup>. With the increase in constables’ starting pay to £600 *per annum*, the £20 a year London allowance was still worth about three *per cent* in addition to salary for a new constable.

#### *The Edmund-Davies Committee of 1978*

7.6.19 The Edmund-Davies Committee was asked to review police pay and conditions in response to the decline of police pay in real terms following the high levels of inflation in the 1970s.

7.6.20 Edmund-Davies recommended that a national rate of pay be maintained. He rejected regional pay on the grounds that (a) common conditions of service were an important unifying influence at a time of increasing co-operation between forces; and (b) a national rate of pay was “important in giving the police service a common feeling of identity”<sup>315</sup>.

7.6.21 Edmund-Davies recognised the point made by Desborough and Oaksey, that there was, in practice, an element of regional pay already because “[t]he rent allowance varies with the cost of housing in each police area and therefore provides a degree of regional variation in total emoluments”<sup>316</sup>.

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311 *ibid.* paragraph 29

312 *ibid.* paragraph 39

313 Royal Commission report, paragraph 167

314 *ibid.* paragraph 193

315 Edmund-Davies report (2), paragraph 108

316 *ibid.* paragraph 109

- 7.6.22 Edmund-Davies decided that special allowances for certain areas were a separate issue. Over the course of the 1960s and 1970s, the London allowance had been increased in value, and extended to all the Federated and superintending ranks<sup>317</sup>. In 1975, a London allowance of lesser value was granted to all chief officer ranks except the Commissioner<sup>318</sup>. Edmund-Davies decided that the term ‘London allowance’ was a misnomer “because the purpose is to compensate for the additional cost of living and working in London — other than housing”<sup>319</sup>. Instead, he indicated that it should be referred to as ‘London weighting’ as this was the term used by other employers.
- 7.6.23 In addition to London weighting, Edmund-Davies recommended that a new ‘London allowance’ be created, in order to address the manpower problem in the Metropolitan police, which had broadly the same number of officers in 1977 as it had done in 1921. Over that period in the rest of England and Wales, the number of police officers had increased by over 150%<sup>320</sup>. The new London allowance was to be worth £650 a year and applied to all ranks up to and including Deputy Commissioner in the Metropolitan Police, as well as the Commissioner in the City of London Police<sup>321</sup>. The allowance was worth approximately 18% in addition to basic salary for a new constable on the revised pay scales recommended by Edmund-Davies.

### *The Sheehy Committee of 1993*

- 7.6.24 The Sheehy inquiry into police pay did not consider regional pay. Sheehy did, however, make recommendations regarding the London allowance and London weighting.
- 7.6.25 Sheehy considered policing in London to be especially challenging – for example, due to the disproportionately high levels of serious crime that took place in London<sup>322</sup>. Sheehy also noted the extent of travel required for those working in London<sup>323</sup>. He recommended that officers in the Metropolitan Police should have a pay lead over officers in other forces to recognise these two factors, and to ensure pay levels were in line with the London labour market. He also recommended that the London allowance and London weighting be merged into a single payment worth £4,000 *per year* (an increase of 70% on the combined value of London weighting and the London allowance)<sup>324</sup>.
- 7.6.26 Most importantly for a discussion of regional pay in policing, Sheehy recommended that housing allowance should not be available to new recruits. Historically, as explained, housing allowance had constituted a regional pay element in police officers’ total earnings, as it varied from force to force to reflect local housing costs. But Sheehy rejected the idea that basic pay for new recruits should be adjusted to take account of housing costs<sup>325</sup>. Although the vast majority of Sheehy’s recommendations were not implemented, housing allowance was no longer made available to new recruits from 1994.

### *Recent developments*

- 7.6.27 The 1990s and 2000s have seen a number of developments that constitute forms of regional pay. They have all been focused on London and the south east of England, that is, the areas with the highest levels of earnings and the highest cost of living. It is in London and the south east that police forces have experienced recruitment and retention difficulties.
- 7.6.28 In the 1990s, Transport for London offered a concession to police officers in London, allowing them free travel on all Transport for London services. No payment is made for this concession, and so it represents an indirect subsidy to London police officers from the taxpayers and customers who pay for Transport for London’s services. In 2001, the Metropolitan Police

317 *ibid.* paragraph 216

318 *ibid.* paragraph 216

319 *ibid.* paragraph 218

320 *ibid.* paragraph 225

321 *ibid.* paragraph 226

322 Sheehy report, paragraph 9.34

323 *ibid.* paragraph 9.35

324 *ibid.* paragraph 9.36

325 *ibid.* paragraph 9.30

and the City of London Police came to an agreement with the Association of Train Operating Companies to provide free travel on most national rail services within a 70-mile radius of London. This concession is funded by the Metropolitan and City of London forces, and is therefore a form of payment in-kind. Given the cost of annual season tickets into London, it is of considerable value to many police officers. For example, at 2011 prices, annual standard class season tickets to London from Reading and Bedford each cost over £3,500.

- 7.6.29 In April 2009, the tax liability for this benefit in-kind was transferred to officers, requiring higher rate taxpayers to pay £96 a year, and basic rate taxpayers to pay £48 a year.
- 7.6.30 In 2000, in order to address recruitment and retention problems in London, ‘post-Sheehey’ officers (that is, those who joined the service on or after 1 September 1994 and did not receive housing allowance), had their London allowance, which was set at £1,011, increased by a further £3,327<sup>326</sup>.
- 7.6.31 Regional allowances for ‘post-Sheehey’ officers in forces in the south east of England were introduced in 2001 in the form of the south east allowance. For officers in the Thames Valley, Essex, Surrey, Kent and Hertfordshire forces the allowance was worth £2,000 a year. For officers in the Bedfordshire, Hampshire and Sussex forces it was worth £1,000 a year<sup>327</sup>. In effect, the local element in police pay created by Desborough in 1919 through the housing allowance, having been removed in 1994, was reintroduced in the form of regional allowances.
- 7.6.32 The south east allowance is not paid to officers in receipt of the housing allowance, unless their individual circumstances are such that their housing allowance is lower in value than the south east allowance, in which case they are given a supplementary payment to bring it up to the level of the south east allowance.
- 7.6.33 PNB Circular 11/1 (Advisory) of January 2011 announced that an agreement had been reached in the Police Negotiating Board on amendments to the south east allowance system. The PNB agreed that forces should be given discretion to pay an enhanced south east allowance to some of their officers. The additional discretionary element would be worth up to £1,000 in addition to the existing south east allowance. Therefore, officers in the Essex, Hertfordshire, Kent, Surrey and Thames Valley forces may be paid up to £3,000. Officers in the Bedfordshire, Hampshire and Sussex forces may be paid up to £2,000. At the time of writing, the Home Secretary has not given her approval to the agreement, and the agreement has not come into effect.
- 7.6.34 On 29 November 2011, the Chancellor of the Exchequer published the Government’s Autumn Statement. As part of a series of measures to deal with public spending difficulties, he said that the Government favours making public sector pay more responsive to local labour markets. He said that national pay scales artificially raise the average earnings in areas of the country with lower levels of employment or a lower cost of living. He announced that:

*“we are asking the independent pay review bodies to consider how public sector pay can be made more responsive to local labour markets, and we will ask them to report back by July next year. This is a significant step towards the creation of a more balanced economy in the regions of our country which does not squeeze out the private sector”<sup>328</sup>.*

### *Police staff*

- 7.6.35 Police staff have always been on a different pay structure to that of police officers. Before 1996, police staff in all but four forces were on local government pay structures. In 1996, police staff employment was transferred to police authorities. The Police Staff Council was created to negotiate police staff pay and conditions. There was a single salary scale and a national set of terms and conditions, but forces were free to place the salary for a particular

326 *Police Negotiating Board: Annual Report of the Independent Chair 2000 – 2001*, Office of Manpower Economics, London, 2001

327 *ibid.*

328 HC Debate, 29 November 2011, Vol. 536, Col. 802

post at what they considered to be the appropriate position for the job in question. There was, therefore, a high degree of local flexibility in setting pay rates to match local labour markets. The Metropolitan Police, the City of London Police and the Kent and Surrey forces do not participate in the Police Staff Council arrangements, and therefore have even greater freedom to set police staff pay and conditions in response to local needs.

- 7.6.36 Before 1996, police staff in the Metropolitan Police were employees of the Home Office. In 1996 they, like other police staff throughout the country, became employees of their police authority. Initially, police staff in the Metropolitan Police were kept on the Home Office London allowance system, which was paid at three different rates on the basis of three concentric rings measured from Charing Cross. When, in the 2000s, the Metropolitan Police changed its structures, it ceased to pay London allowance on that basis, instead adopting a two-rate system, with an inner- and outer-London rate, based on local government borough definitions.

#### *Status quo – Officers*

- 7.6.37 All police officers' salaries are set under a national pay framework set out in the Police Regulations 2003<sup>329</sup>. There are no regional or force-level differences in basic pay except for inspectors and chief inspectors in London (both the Metropolitan Police and the City of London Police). They are paid the London lead rate for inspectors. This is in recognition of the greater responsibilities they hold, rather than to take account of cost of living or local labour market conditions. (London inspectors' pay is covered in greater detail in section 7.1 of this Chapter).
- 7.6.38 It is estimated that 29.6% of constables joined the police service before 1994, and so are still in receipt of housing and rent allowances<sup>330</sup>. As explained, the scheme was closed to new entrants in 1994, and the payments then became described as a 'housing replacement allowance'. Schedule 3 to the Police Regulations 2003 sets out the housing replacement allowance rates for each force, which range from £1,777.66 in Northumbria police to £5,126.70 in the Metropolitan Police. These payments have been frozen since 1994. Chapter 5.1 of Part 1 explained the background and eligibility for this scheme in more detail. Part 1 recommended that this payment should be retained for existing officers because it was a declining amount of money in real terms, paid to a declining number of officers.

#### *London weighting*

- 7.6.39 'London weighting' is paid to all police officers in the City of London and Metropolitan police forces, to take account of the higher cost of living in London. This is the only aspect of police officer pay that relates to the cost of living. It is pensionable, increases at the same rate as increases in basic pay, and is currently worth £2,277 a year<sup>331</sup>.

#### *London allowance*

- 7.6.40 Officers in the City of London Police and Metropolitan Police are paid a London allowance in addition to London weighting. The London allowance is paid in order to recruit and retain officers in London, and is thus a reflection of labour market conditions (rather than cost of living) in London.
- 7.6.41 The London allowance is non-pensionable, and has not increased in value since 2000. The amount an individual receives varies depending upon the date he joined the police. Those who joined after 1 September 1994, and therefore are not in receipt of housing allowance, receive more than those who joined before that date. The value of housing allowance (or, for those who joined before 1 September 1994, housing allowance plus London allowance) is set at a maximum of £4,338 a year<sup>332</sup>.

329 Determination Annex F, made under Regulation 24 of the Police Regulations 2003

330 Part 1 report, page 165

331 *PNB Circular 10/8, London Weighting*

332 Determination Annex U, made under Regulation 34 of the Police Regulations 2003

*Subsidised travel in London*

- 7.6.42 Officers in the Metropolitan Police Service and the City of London Police are provided with free travel, as described in paragraph 7.6.28. In 2011/12, officers have been required to opt-in to the scheme, whereas previously it was granted as standard to all officers. Officers must meet the tax liability on the value of their personal travel, but this is a very small amount of money compared with the actual cost of travel itself, which is funded by the force.

*South East allowance*

- 7.6.43 A south east allowance is paid in the Thames Valley, Essex, Surrey, Kent, Hertfordshire, Bedfordshire, Hampshire and Sussex forces, as described in paragraph 7.6.31.

*Status quo – Police staff*

- 7.6.44 As explained, police staff pay is set at a force level, based on a pay spine that is nationally agreed through the Police Staff Council (except in the Metropolitan Police and the Kent, Surrey, and City of London forces, which have their own pay arrangements). Forces are free to decide at what point on the pay spine the pay for each police staff job should be placed.
- 7.6.45 In addition, some forces pay supplements for police staff posts that are particularly difficult to fill (for example, roles requiring information technology specialists). These pay supplements generally reflect local labour market conditions, and many forces use externally collated market data as a benchmark<sup>333</sup>. Table 7.57 reproduces a survey by ACPO in October 2010 that identified the number of forces that paid market supplements to different police staff roles.

**Table 7.57: Number of forces that pay police staff groups market supplements**

Police staff occupational group	Forces
Information technology	16
Communications	3
Human resources	2
Finance	4
Press/Public Relations	0
Occupational health	4
Vehicle technicians	3
Procurement	3
Property/estates	5
Fingerprints	4
Intelligence	3
Legal	3
Forensics	1
Supplies	1
Training	1
Geographical	0
Other	17

Source: ACPO Pay and Reward Survey 2010

333 *Analysis of Pay and Reward Practices and Terms and Conditions for Police Officers and Police Staff*, ACPO, London, October 2010, page 10

- 7.6.46 Police staff in London receive a London allowance calculated on a separate basis from that given to officers. There are two zones – inner- and outer-London. Individuals are paid either an inner- or outer-London allowance on the basis of where they work. Those in the boroughs of Camden, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster receive £3,466 a year. Those in all other London boroughs receive £1,883.
- 7.6.47 Police staff do not receive a south east allowance. In the Essex, Kent and Hertfordshire forces, police staff in certain locations continue to receive a ‘London fringe allowance’ (retained from the period when they were local government employees) but its value is low compared with the allowances granted to police officers<sup>334</sup>.

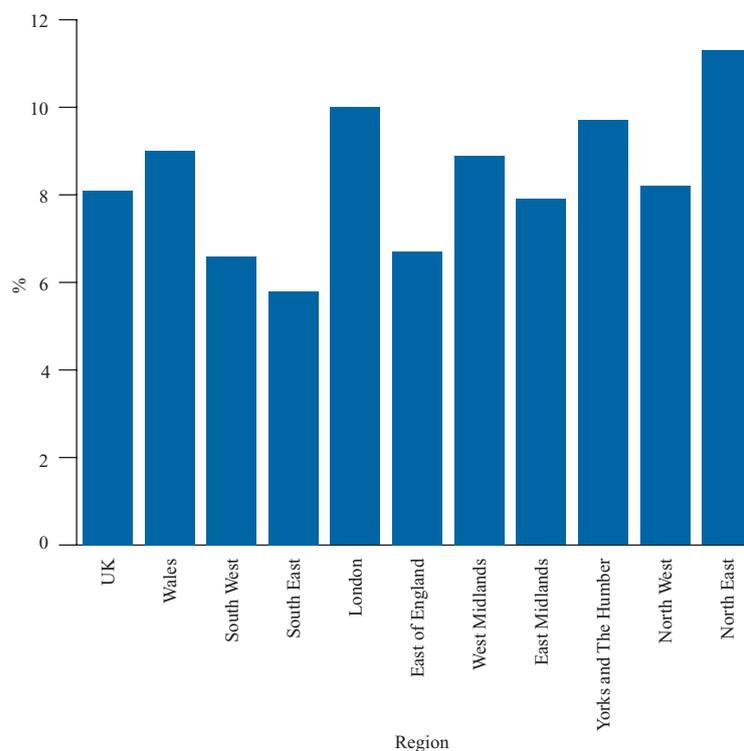
## Analysis

### *Regional and local variations in the labour market*

- 7.6.48 There is a significant degree of local variation in the labour markets in England and Wales. Average earnings, unemployment rates, the proportion of the population with marketable skills, the number of job vacancies and wage levels all vary from place to place.
- 7.6.49 The regional variation in unemployment rates is shown in Figure 7.11. Unemployment is highest in the north east, but London, Yorkshire and the Humber also have comparatively high levels. The south east has the lowest level of unemployment, with the south west and east of England regions also having comparatively low levels.

**Figure 7.11**

Unemployment rate by region, June to August 2011, seasonally adjusted

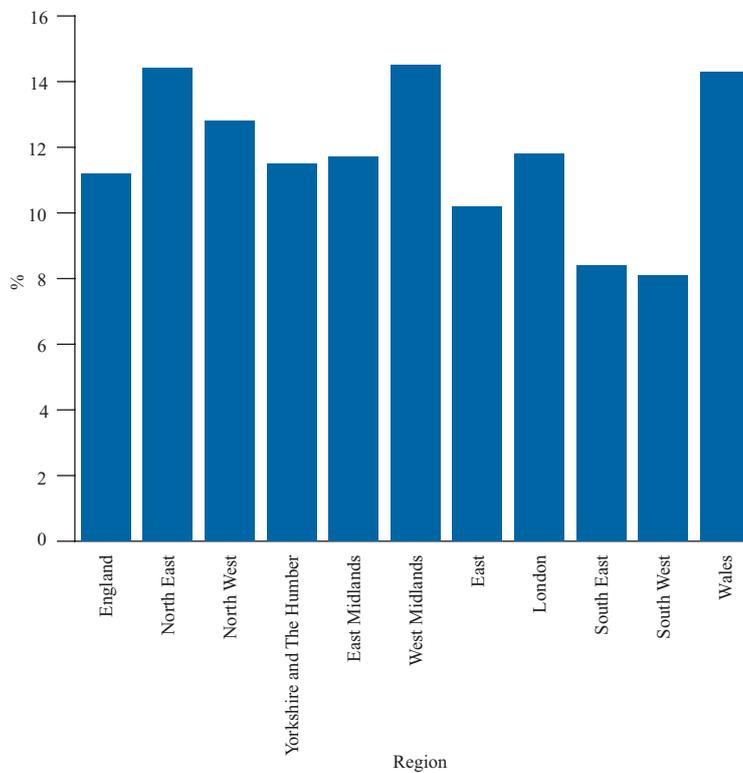


Source: ONS Regional Labour Market Statistical Bulletin – October 2011

7.6.50 The skills available in labour markets also vary on a regional and local basis. Figure 7.12 shows the percentage of the working age population with no qualifications on a regional basis. The north east, the west Midlands and Wales stand out as the regions with the largest proportions of unskilled workers.

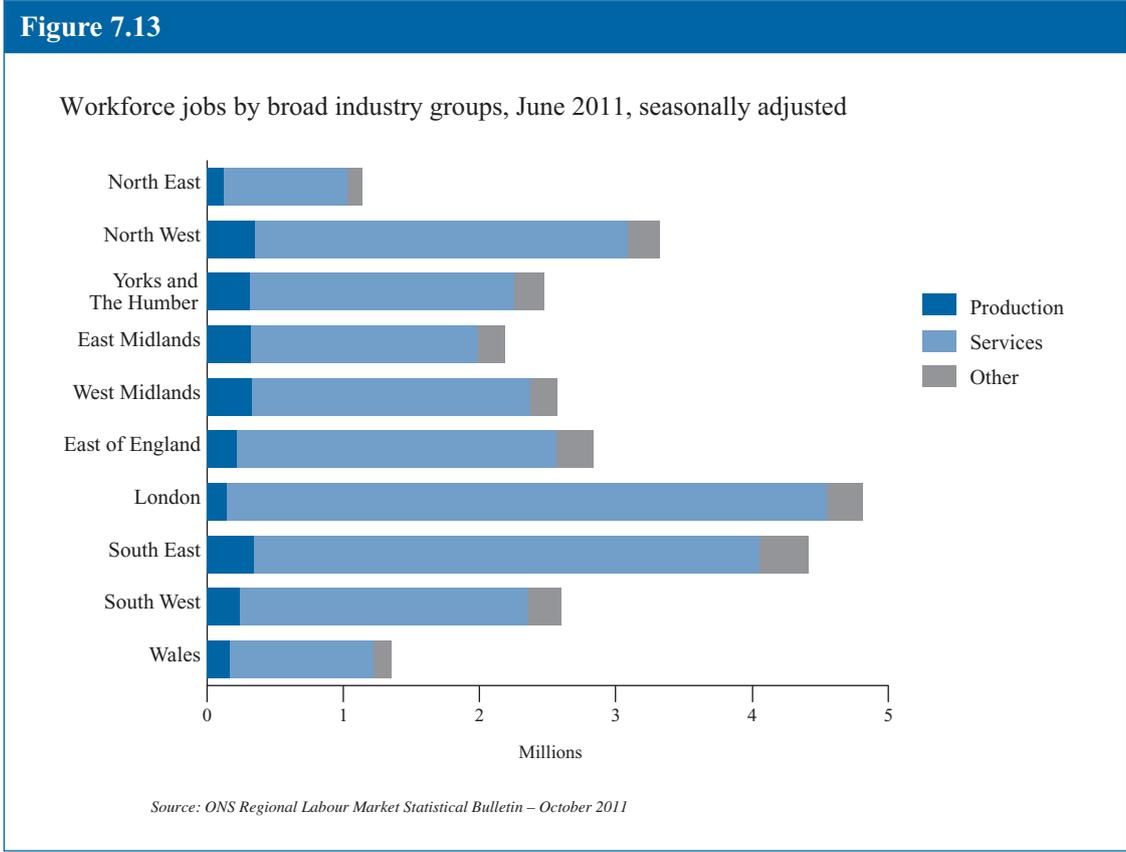
**Figure 7.12**

Percentage of working age population with no qualifications, 2009

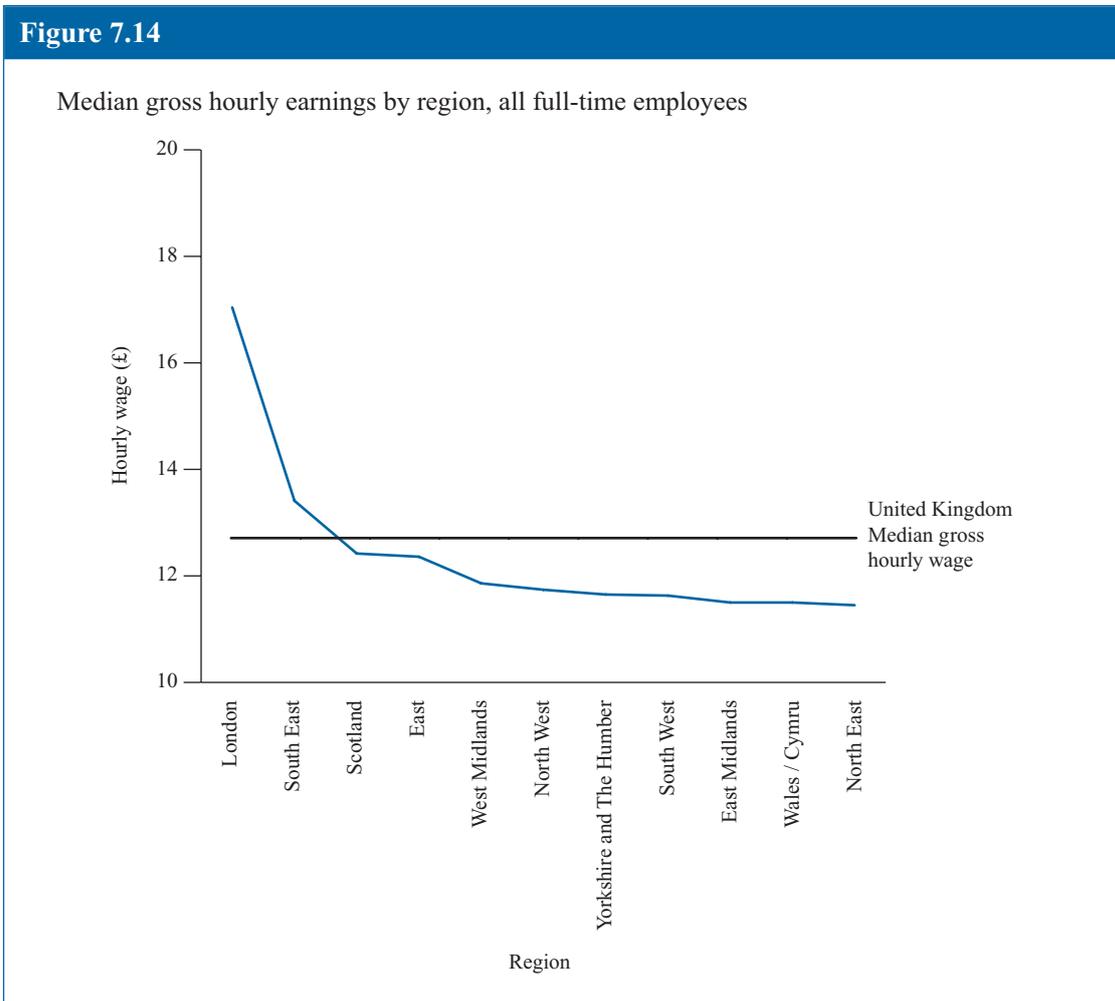


Source: ONS Regional Labour Market Statistical Bulletin – October 2011

7.6.51 The number, and type, of jobs available also varies from place to place. Figure 7.13 shows the number of jobs, broken into broad industry type, on a regional basis in England and Wales. London and the south east have the greatest number of jobs by a considerable margin, with the north east and Wales having the fewest.



7.6.52 Figure 7.14 compares the median hourly earnings of all full time employees by region. It shows that there is significant regional variation, with the highest average wages available in London and the south east, whilst the lowest are found in Wales and the north east. Data that show average earnings by police authority area are shown later in this Chapter.



7.6.53 These factors taken together indicate that there is significant geographical variation in the labour markets in England and Wales. These variations tend to occur at a local rather than regional level as they are influenced by local factors. When police forces recruit new officers, they can be competing in very different markets, with local employment rates, average wages, and skills making it more or less difficult to recruit candidates of the requisite quality. The differences in labour markets in each location can be mapped to show ‘zones’ in the United Kingdom with like labour markets. QCG Ltd, a human resources consultancy that has provided expert advice on regional pay to the Cabinet Office and major private sector companies, provided a ‘thermal map’. It is based on local market pay data and local socio-economic data including average earnings, qualifications and unemployment rates. The map divides the United Kingdom into five zones. Zone 1 is the most competitive labour market area – with the highest average earnings - and Zone 5 is the least competitive. It shows that local labour markets are most competitive in London and the south east, but that there are also significant ‘hotspots’ outside the south east, where average earnings are higher than in the surrounding area.

*The effect of public sector national pay rates on the wider economy*

7.6.54 National rates of pay not only mean that police forces may be paying more than they need to in order to recruit and retain people of the right calibre. They may also be harmful for the wider economy. Professor Alison Wolf of King’s College London, a leading academic in the field of regional pay, has argued that national wage rates “penalise our poorest regions, by distorting

their labour markets and standing in the way of economic growth”<sup>335</sup>. They do so because “they make it harder for private employers in these areas to capitalise on what should be their great competitive advantage – *lower wages*”<sup>336</sup>.

7.6.55 Private sector employers must compete with the public sector to recruit and retain workers of the right calibre. If national employers pay a national rate sufficient to recruit and retain the right calibre of staff in London (the most competitive labour market in the UK), they will be paying at well above the market rate to recruit and retain such staff in the north and west of England and in Wales. ‘Crowding out’, as it is sometimes known, can have a deleterious effect on the economy as it drives up wage costs and thereby reduces the competitiveness of UK companies.

7.6.56 Professor Wolf argues that:

*“[i]n England, today, private sector employers in most regions of the country face a labour market where the public sector is not only offering more secure jobs with better pensions, but is also, at almost every level of the wage distribution, paying more”<sup>337</sup>.*

#### *Private and public sector approaches to regional and local pay*

7.6.57 The police service is by no means the only national employer with a national wage rate. However, there are examples of employers in both the private and public sectors taking account of local labour markets in setting pay. Few national employers decentralise pay to the extent that different rates are set at each location, although the retailer John Lewis is an example of a highly successful business that does take this approach<sup>338</sup>. More common is a zonal approach whereby the UK is divided into a number of zones, each of which reflects areas with similar labour market conditions, rather than regions. Other common approaches include a national rate of pay with additional London and south east allowances (which is what the police service has), or national pay rates with separate pay spines for the London area.

#### *National structures with location allowances*

7.6.58 A large number of organisations in both the public and private sectors use local allowances to deal with local labour market differences. Since London in particular, and the south east in general, are the most competitive labour markets, location allowances tend to be focused on these areas. UNISON submitted to the review a report prepared by Incomes Data Services. It contains a useful list of organisations that pay a London allowance, and the rate at which it is paid, and is reproduced below:

**Table 7.58: Examples of London and south east allowances at nationwide private sector and public sector employers**

Organisation	Location	Allowance
British Gas	Band 1 – Central London	£5,302
	Band 2 – Inside M25	£4,758
	Band 3 – Inside M25	£4,214
	Band 4	£1,358
	Band 5	£679
Santander	Inner London	£3,500
	Outer London	£2,000
	Fringe	£1,000

335 *More Than We Bargained For: the Social and Economic Costs of National Wage Bargaining*, A. Wolf, London, 2010, page 6

336 *ibid.* page 54

337 *ibid.* page 55

338 *Location-Based Pay Differentiation: A Research Report for UNISON*, Incomes Data Services, 2011, page 10

**Table 7.58: Examples of London and south east allowances at nationwide private sector and public sector employers *continued***

Waterstone's	Central London	£2,900
	Inner M25	£1,700
	Outer M25	£1,000
Fire Service	Up to former GLC boundary	£5,021
	Surrey	£1,213
	Langley, Slough	£790
	Bracknell, Maidenhead, Windsor	£550
Health and Safety Executive	London	£3,992
Probation Service	London	£3,850
Sixth-Form Colleges (teachers)	Inner London	£3,589
	Outer London	£2,392
	Fringe	£947
<i>Source: Location-based pay differentiation, Incomes Data Services, 2011</i>		

- 7.6.59 Some employers use a similar approach but permit greater flexibility as to where the allowances may be paid. The National Health Service pay structure allows for the payment of local recruitment premia and market supplements for specific roles if the employer can demonstrate that it would be unable to recruit or retain staff of the right calibre without them. Market supplements are also used in local government to recruit people into hard-to-fill posts<sup>339</sup>. The prison service has a system of local allowances that extends beyond London and the south east as shown in Table 7.59 below:

**Table 7.59: Locality pay in the prison service**

Location	Allowance
Brixton, Holloway, Pentonville, Wandsworth, Wormwood Scrubs	£4,250
Feltham, Huntercombe, Latchmere House, The Mount, Westminster Headquarters	£4,000
Belmarsh, Bronzefield, Coldingley, Downview, High Down, Isis, Send, South East Area Office (Woking)	£3,100
Aylesbury, Bedford, Bullingdon, Bullwood Hall, Chelmsford, Grendon, Croydon Headquarters, Reading, Woodhill	£2,600
Lewes and Winchester	£1,100
Birmingham, Bristol, Littlehey, Long Lartin, Onley	£250
<i>Source: Prison Service Pay Review Body Tenth Report, 2011.</i>	

### *National structures with London pay scales*

- 7.6.60 A similar approach to that described above is the use of separate pay scales in London, set at a higher rate than the national rate pay scale used elsewhere. This structure is used in teaching, where there are separate inner London, outer London, 'fringe' and national pay scales. This approach is also used in some central government departments.

*Zonal pay*

- 7.6.61 Zonal pay systems are used in two central Government departments – the Department for Work and Pensions and the Ministry of Justice – and commonly in the private sector, particularly in the retail and banking sectors. The zonal pay approach is based on an analysis of the labour markets throughout the UK, with similar areas grouped into zones. The factors used to identify areas with common labour market features are usually centred upon average earnings, unemployment levels, skills and levels of hard-to-fill vacancies.
- 7.6.62 Typically, employers will identify five or six zones, with a smaller number of zones for roles at higher pay rates, as the labour market is considered to be less local and more national for highly skilled roles. The zones are ranked in order of labour market competitiveness, with the highest rates of remuneration paid in the most competitive labour markets. Typically, the zones consist of central London, outer London, south east, regional ‘hot spots’ (for example major cities outside the south east), and national.
- 7.6.63 The advantage of the zonal system over the regional allowances system is that it allows for more nuanced variations in pay that more accurately reflect local labour market conditions. The Ministry of Justice has five zones and pay can vary by as much as 23% between the inner London rate and the less buoyant national rate, as seen in the Table 7.60 below:

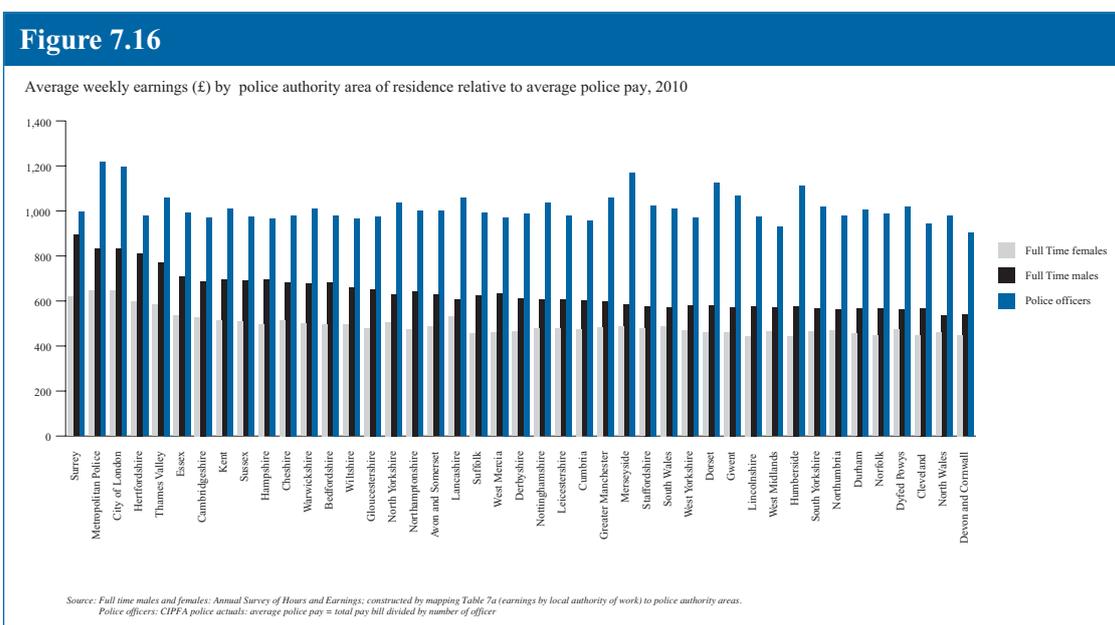
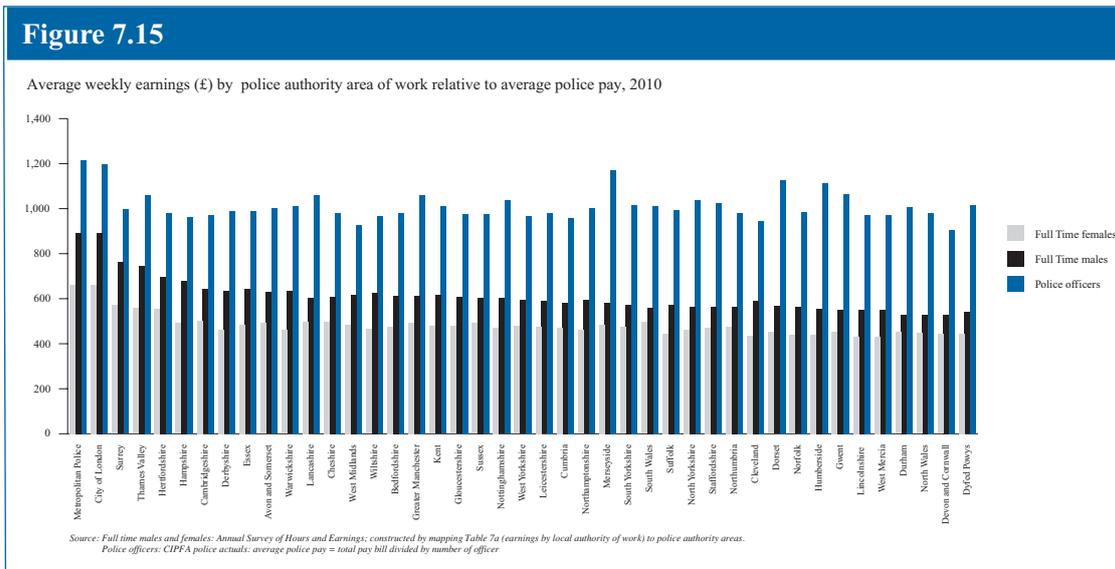
**Table 7.60: Ministry of Justice Pay Structure as of 1 August 2010, maximum pay rates for administrative and junior management roles**

Location	Administrative Assistant	Administrative Officer	Executive Officer
National	£15,218	£17,957	£21,636
National +	£15,524	£18,529	£23,224
Hot spots	£16,000	£19,500	£24,727
Outer London and south east hot spots	£17,650	£20,905	£26,000
Inner London	£18,700	£22,250	£28,000

Source: Location-based pay differentiation, Incomes Data Services, 2011

*Regional and local pay in the police service*

- 7.6.64 In his work for Part 1, Professor Richard Disney showed how the median police officer wage varies as a ratio of the median wage in each region. Police officers in London earn, on average, more than their colleagues elsewhere in the country. Yet they are worse off, relative to local median earnings (which, in London, are the highest in the United Kingdom) than officers in north Wales, where median earnings are significantly lower than in London. This is the case even taking into account the effect of the London and south east allowances.
- 7.6.65 Professor Disney has built on this work in his economic analysis for Part 2. He compares average police officer and non-police officer (that is, all other occupations) full time earnings in each force area, both by area of work and by area of residence. The police force area is the appropriate level of analysis because a police officer can be posted to any place of work within his force area (notwithstanding occasional short-term work in other force areas under mutual aid arrangements). Professor Disney’s data are shown in Figures 7.15 and 7.16.



- 7.6.66 These graphs show that there is a wide variation of average police officer pay relative to average earnings in other occupations between force areas. The variation in average police officer pay between forces is probably caused, Professor Disney argues, by the use of SPPs, and the differing age composition of forces. Older officers are more likely to be at the top of the pay scale, and will therefore have higher salaries.
- 7.6.67 The average earnings for occupations other than policing in many areas sit within quite a narrow range, clustered around £600 a week for men, and £500 a week for women. This indicates that large areas of the country have similar levels of average earnings.
- 7.6.68 Professor Disney also shows in his analysis for Part 2 that police officers are not unusual within the public sector in relation to regional pay<sup>340</sup>. Many public sector occupations have national pay structures that pay a premium to those who work in London and the south east. Professor Disney finds that police officers are unusual in one respect: their combined London allowance and London weighting is significantly higher than that found in most public sector occupations, allowing them to maintain parity with average earnings in London, whilst most other public sector occupations earn less than average earnings in London.

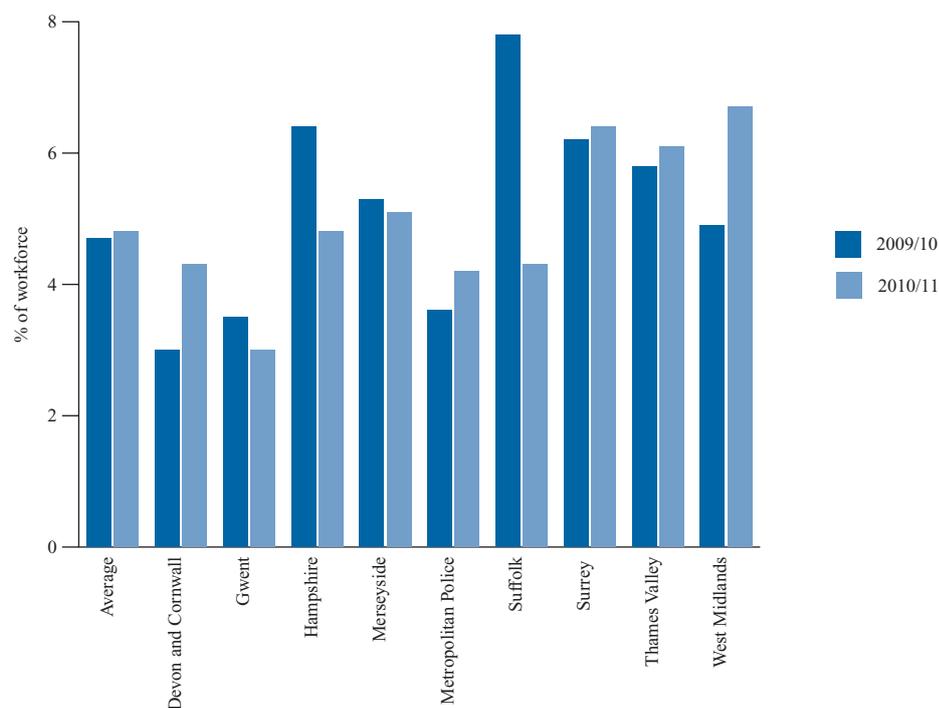
340 See section 6.2 of Appendix 3.

*Recruitment and retention of police officers*

- 7.6.69 Professor Disney finds that there is no shortage of potential recruits to the police service in England and Wales. Further, he finds that local average earnings have no effect on the quality of recruits, and that police pay is at a level which is more than adequate to recruit in sufficient numbers officers of the right calibre in all areas of England and Wales.
- 7.6.70 Professor Disney finds no evidence of a relationship between local average earnings, or cost of living, and force area wastage rates. Indeed, as Figure 7.17 shows, the Metropolitan Police Service has one of the lowest wastage rates of all forces. This is despite the fact that its officers are in a labour market that offers them many other opportunities for well-remunerated employment, and are in the area with the highest cost of living in the country (and, as Professor Disney showed in his analysis for Part 1, the ratio of average police pay to average pay in other occupations is lower in London than anywhere else in England and Wales).
- 7.6.71 The one area of the country where Professor Disney finds that forces experience retention problems (and even here, it is a problem caused by officers transferring between forces, rather than leaving the police service) is the south east. He argues that this is caused by the higher earnings offered by the London forces which incentivise officers in surrounding forces to transfer into London.

**Figure 7.17**

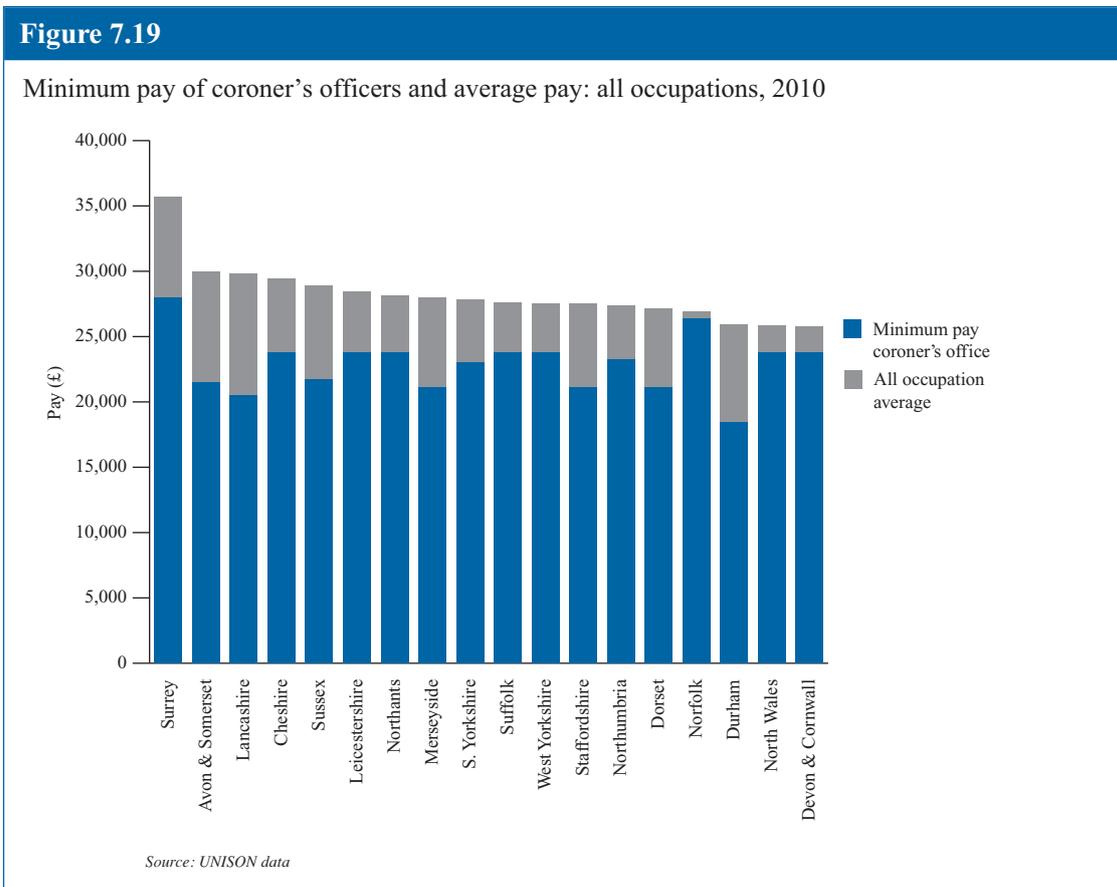
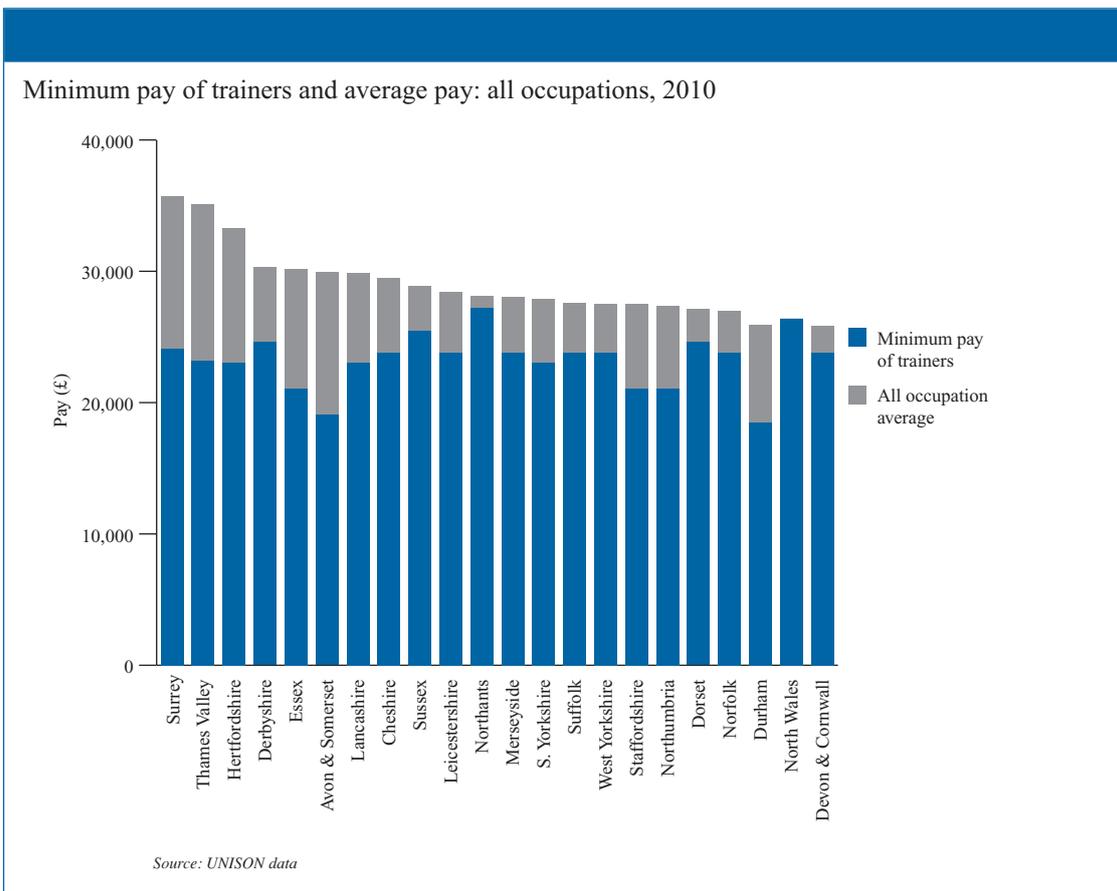
Police officer 'wastage rates' by selected police forces (%)



Note: 'Wastage rate' as defined in the text of Professor Disney's economic analysis

Source: Home Office statistical bulletins: Police Service Strength England and Wales (2010 and 2011)

- 7.6.72 Professor Disney also analyses the position of police staff in relation to average local pay levels. He compares the police staff pay data provided by UNISON with non-police earnings in each force area in order to assess the degree to which police staff pay is related to local labour markets. Graphs showing two police staff occupations are reproduced in Figures 7.18 and 7.19.



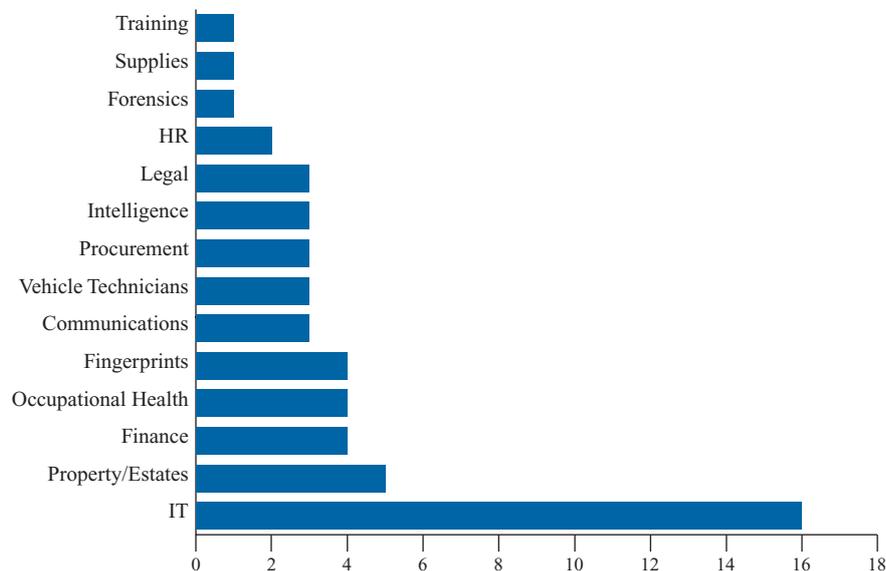
7.6.73 These data indicate that police staff pay does not always accurately reflect local labour markets. A comparison based on job title alone, which should be treated with caution as no comparative

measure of job responsibilities and weights has been undertaken, shows that forces in areas with relatively low average earnings are sometimes paying as much as forces in areas with higher average earnings. For example, trainers are paid more in north Wales than they are in Surrey, Thames Valley and Hertfordshire. Yet north Wales has significantly higher levels of unemployment and lower average earnings than the south east. These factors should, other things being equal, lead to lower pay for trainers in north Wales than in the south east. See Chapter 7.4 on police staff basic pay for more force level pay comparisons for common police staff roles.

- 7.6.74 Professor Disney suggests four possible explanations for the apparent discrepancies between police staff pay and average local earnings. First, it could be that the ASHE data does not accurately represent the jobs and earnings in each force area. Secondly, it could be that police force pay grading is arbitrary. Thirdly, the discrepancy may be caused by police forces hiring disproportionately in high cost urban areas within the force area, with fewer staff employed in lower cost rural areas. Finally, he suggests it may be caused by ‘contagion’ from police officer rates of pay, resulting in higher police staff pay than is warranted by local labour market conditions. Ultimately, he says, a firm conclusion cannot be drawn in the absence of more comprehensive data.
- 7.6.75 The degree to which police staff pay responds to local labour market conditions is also shown by the use of market supplements. These are additional payments, made on top of base pay, used to recruit specialist staff who are in high demand in the local labour market. Their use indicates that police staff salaries are closely related to the local labour market and are increased where necessary to recruit candidates of the right calibre. Figure 7.20 shows the number of forces that use market supplements for specific roles.

**Figure 7.20**

Number of forces paying market supplements for specific roles, 2010



Source: ACPO Pay and Reward Survey, 2010

- 7.6.76 Of the 27 forces that responded to the 2010 ACPO ‘pay and reward survey’, 24 used market supplements<sup>341</sup>. Market supplements are most commonly used in information technology posts, but are used to assist with recruitment into a wide variety of roles. As with Professor Disney’s analysis of police staff pay in relation to local labour markets, these data indicate a

341 *Analysis of Pay and Reward Practices and Terms and Conditions for Police Officers and Police Staff*, ACPO, London, October 2010

wide variety of practices between forces, as would be expected in the decentralised pay setting structure used for police staff.

*Policy options for local or regional pay for police officers*

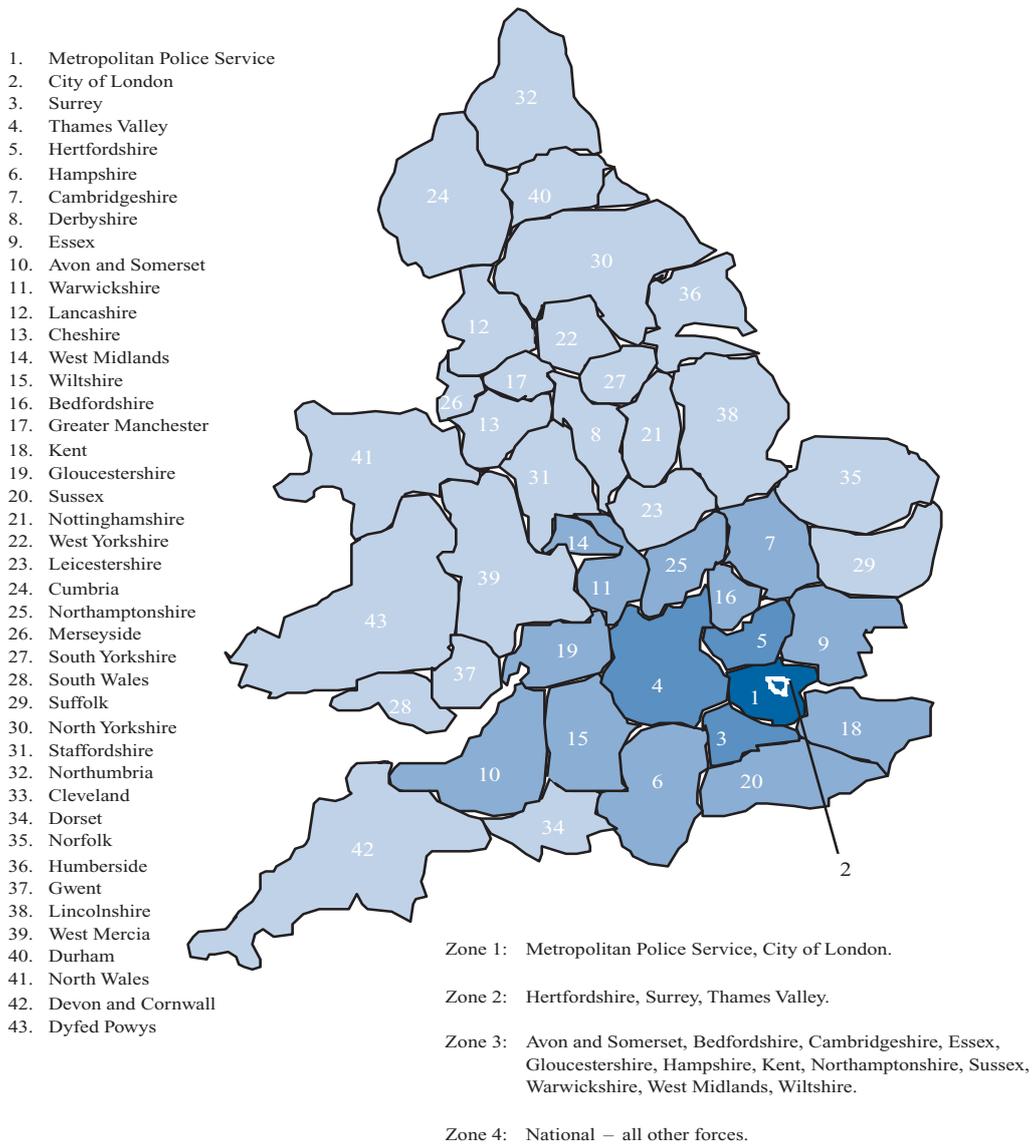
- 7.6.77 The previous section shows that there are variations in the pay ratios between police officers (and staff) and local average pay levels. As Professor Disney argues, there are two reasons why there might be a case for addressing the issue of local or regional pay. First, on the grounds of equity – it could be seen as unfair that an officer working in London earns less, in comparison to average earnings in his force area, than an officer in the north east. Secondly, change may be required on the grounds of fairness to the taxpayer. It is unfair to the taxpayer if he is paying more than is required to recruit and retain police officers and staff in some areas of the country. There is also an opportunity cost. Money that currently goes into salaries could be spent on more officers and staff, or better equipment.
- 7.6.78 In his economic analysis for Part 2, Professor Disney explores three policy options for the introduction of local or regional pay variation for police officers. The first option is to require each force to set pay in its own force area by bargaining with its own workforce. To be effective, this option would require highly skilled pay negotiators in each force. They might benefit from access to local pay data unavailable to central Government (for example, local business surveys). However, Professor Disney considers it likely that this option would be unpopular both with government and forces. It would not appeal to government, he argues, because there would be no centralised pay control. This could lead to ‘leap frogging’, with forces competing for officers by offering increasingly attractive rates of pay, thereby driving up total pay costs in the police service. Police forces may not like this approach either. Local public sector managers do not tend to depart from national pay structures even when offered the opportunity, as they are, for example, in certain hospitals and schools at present.
- 7.6.79 The second option is to establish a national pay formula that takes account of local pay variations. This approach, unlike option 1, would allow central Government to maintain control of total salary costs. However, it would link pay to local labour market conditions in each police force area. It would require some form of pay review body to set, and periodically to review, the formula. Since private sector pay is more geographically differentiated than public sector pay (which is predominantly based on national pay scales), the greater the weight given to private sector pay, the greater the differences between force areas that the formula would produce.
- 7.6.80 However, there are difficulties in making formulae work effectively. Professor Disney considers this approach to have a number of disadvantages. It cuts pay in areas of the country that are already economically disadvantaged. Whilst this may not be a primary concern in the setting of police pay, it would be a consideration for any Government that chose to adopt this approach. The ASHE data that the formula relies upon is retrospective, and by the time that a pay agreement was implemented, the data upon which it was founded would be significantly out of date. Pay review bodies normally look at current trends when setting pay, but this formula would not allow current trends to be taken into account. A further limitation in the data is the fact that ASHE data are not available at police force level (although it can be constructed, as Professor Disney has demonstrated in his report).
- 7.6.81 Comparisons with earnings data alone may be insufficient. It would be desirable to control for differences in the composition of occupations across areas because differences in average pay between areas may be caused not by a difference in wage levels for the same occupations, but because one area contains a greater proportion of high (or low) paying occupations than the other. Unfortunately, the analysis required to control for occupational mix would be complex, and may result in the workings of the formula appearing unclear to the police officers whose pay it determines.
- 7.6.82 The formula would be used to adjust the pay scales for each force. However, average earnings in each police force area are caused by differences in the number of officers at each pay point (with forces with older officers tending to have higher average pay) and the mix of officers at

each rank. An earnings based formula does not take account of these issues. A final problem with the formula approach is that it removes any discretion or judgment in the setting of pay. An employer would normally want to be able to choose by how much to increase or decrease pay scales, as pay can be a useful tool to bring about change in the workplace – for example, as a reward for staff who change working practices in order to bring about productivity improvements. A formula would not allow pay to be used in this way.

- 7.6.83 The third option is to use local allowances to relate more closely police officer pay to local labour markets. Professor Disney simulated such an approach on the basis of a new national rate of basic pay of £30,000 – £33,000 *per annum*. This would be supplemented with local allowances in force areas that required it in order to recruit and retain officers of the necessary calibre. Some areas, such as Wales and the north east, would not require local allowances because the local labour market is such that individuals of the required calibre could be recruited and retained for £33,000 *per annum*.
- 7.6.84 In order to assess the value of the regional allowances, Professor Disney considered the local pay differences in private sector occupations. He started by identifying private sector occupations in Wales and the north east that have a salary of approximately £30,000 – £33,000 *per annum*. He then checked the salary for these occupations in London and the south east. He found that local pay differences are much greater in the private sector than in the public sector.
- 7.6.85 The occupations in Wales that pay salaries of around £30,000 – £33,000 are professional occupations at the median, such as engineers, architects, and business professionals. At the mean, occupations such as engineering technicians and chartered surveyors are in this salary bracket. In the north east, there is a similar range of professionals and middle managers. Whilst the pay difference between police officers in Wales and London is around £6,000, and the difference between police officers in the north east and the south east is virtually nothing, the difference in the private sector occupations is much greater. The managerial and professional occupations that pay salaries of around £30,000 – £33,000 in Wales and the north east pay salaries around £55,000 – £60,000 at the mean, and around £45,000 at the median, in London. In the south east, these occupations pay salaries of around £45,000 at the mean and £40,000 at the median.
- 7.6.86 Professor Disney concluded that local allowances should perhaps be worth as much as £10,000 – £11,000 *per annum* for a police officer in London, and £5,000 – £6,000 *per annum* for police officers in the south east. However, he did not conclude from this analysis that police officers in London should be earning £10,000 – £11,000 *per annum* more than police officers in Wales from a national basic salary of £36,519 in Wales. Instead, he argued that the basic rate for an officer in Wales looked high given the nature of the occupations earning £30,000 – £33,000 there. Further, he concluded that the value of the London and south east allowances should be investigated further, particularly in light of the Chancellor's Autumn Statement of 2011, with its request for pay review bodies to consider local pay issues.
- 7.6.87 As can be seen in greater detail in the following section, forces in the south east of England have experienced retention problems caused by the higher earnings on offer from the Metropolitan Police. Increasing the value of regional allowances would be likely to increase the scale of these 'boundary' problems, as the financial incentive to move to a higher paying force would be made greater. Professor Disney suggests that this problem could be mitigated by creating a series of local allowances with a pay difference of around £2,000 - £3,000 between each.
- 7.6.88 A model based on this analysis is shown in the map Figure 7.21.

**Figure 7.21**

Potential regional pay model



Source: ASHE data, 2010

7.6.89 The cost of this model would of course be determined by the national rate of basic pay and the value of the three local allowances. If, as proposed by Professor Disney, the basic national rate for a constable at his pay maximum was £33,000, and there were local allowances set at £10,000 for London, £5,000 for three ‘inner south east’ forces, and £2,500 for a wide ‘outer south east’ (as shown in the map above), the cost of the police officer pay bill would increase by approximately £40 million *per annum* in the short-term. However, savings would be made each year from about the fifth year onwards, and the policy would be broadly cost-neutral over ten years. In the absence of a reduction of the basic national rate of pay, these enhanced regional allowances would cost approximately £200 million *per annum* in addition to the current pay bill for police officers.

*Transfers of police officers and staff to forces offering higher earnings*

7.6.90 Regional pay in the police service has led to officers moving between forces to seek increased pay. In recent years, this has been a particular issue in the London and south east forces, with

officers moving from the surrounding forces to the Metropolitan Police in order to receive the higher earnings provided by the London allowance and London weighting. Furthermore, the cost of longer journeys to work in London is met by the Metropolitan Police's transport concession, which provides free travel on overland trains from locations up to 70 miles outside London.

- 7.6.91 The movement of officers from force to force in search of higher earnings is entirely rational behaviour for the individual, but causes problems at force level, as the forces which surround London suffer high rates of turnover and have difficulty filling some posts, particularly those nearest the boundary of the Metropolitan Police area. The cost of training new officers is met from individual force budgets, and so some forces can save the cost of recruiting and training new officers by the simple expedient of recruiting trained officers from other forces. Nationally, this has no net cost, as the training costs in one force are cancelled by the savings in the other, but on an individual force level it can have serious consequences, as forces invest in the training of officers only to see them leave before that investment has been realised. Policy Exchange has estimated the cost of training a new constable to be £80,000 over two years, although the NPIA believe that figure to be lower<sup>342</sup>.
- 7.6.92 The number of officers transferring to the Metropolitan Police from other nearby forces is shown in Table 7.61. It shows significant numbers of officers moving each year from 2003/04 to 2009/10.

**Table 7.61: Police officer transfers from south east forces to the Metropolitan Police Service**

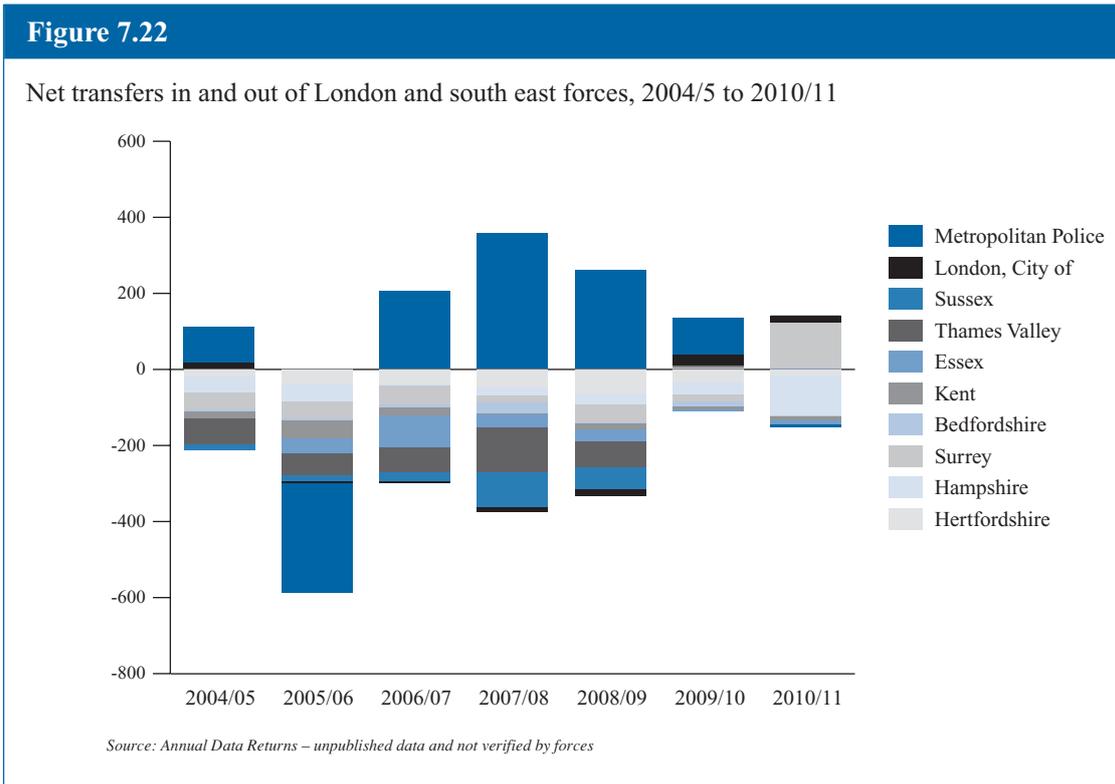
Force	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	Total
Bedfordshire	23	7	6	6	27	15	–	2	86
Essex	30	12	21	100	71	57	34	7	332
Hertfordshire	24	15	17	44	32	38	21	5	196
Kent	32	19	10	20	14	31	12	1	139
Northants	–	–	–	5	15	4	4	1	29
Surrey	–	27	19	49	22	33	21	1	172
Thames Valley	59	45	17	43	78	47	18	4	311
Total	168	125	90	267	259	225	110	21	1,265

Source: Submission from Thames Valley Police, September 2011

Boxes marked "–" indicate that no data are available. Surrey's 2010/11 data are up to June 2010 only.

- 7.6.93 Figure 7.22 shows net transfers in and out of London and south east forces using a different data source, but indicates a very similar pattern.

<sup>342</sup> *Cost of the Cops: Manpower and Deployment in Policing*, E. Boyd, R. Geoghegan and B. Gibbs, London, 2011, page 8



- 7.6.94 The data do not show the reasons for the transfers in and out, so this chart is only indicative of the scale of the movement and the direction of travel from surrounding forces to the Metropolitan Police. However, it is clear that the Metropolitan Police has been a net recipient of officers from other forces in the years 2004/05 – 2010/11. All the other forces in the sample have experienced net losses of officers.
- 7.6.95 The fact that forces in the south east have introduced retention packages to counteract the pull of the greater earnings available in London demonstrates that they have considered this to be a serious problem. South east forces invested in the Key Workers Housing Scheme and the Special Priority Payments scheme in order to increase retention rates<sup>343</sup>.
- 7.6.96 In 2003, Surrey Police introduced a retention package. It is still in place, and now consists of a fuel card which officers may use to buy petrol up to the value of £100 *per* month, making the total package worth £1,200 *per annum*. It is paid in addition to the south east allowance that all officers receive. When it was introduced, it was found to reduce loss of officers to neighbouring forces by about two-thirds.

## Consultation

### *Response by the Association of Chief Police Officers*

- 7.6.97 ACPO says that whilst it recognises that there are variations in the cost of living in England and Wales, it favours the maintenance of the existing approach to regional pay in the police service, with allowances paid in London and the south east only.

<sup>343</sup> The Key Workers Housing Scheme was a Government scheme to help people in certain public sector jobs with a household income of less than £60,000 *per annum* purchase a home. Special Priority Payments (SPPs) are paid to officers in roles that either carry a significantly higher responsibility level than the norm for the rank; or present particular difficulties in recruitment and retention; or have specially demanding working conditions or working environments. SPPs are worth between £500 and £5,000. On 30 January 2012 the Home Secretary announced their abolition following a recommendation arising from Part 1 of this review

- 7.6.98 ACPO is opposed to further regional pay differentiation. It fears that such an approach would encourage forces to compete for the best officers, “ultimately creating greater workforce instability ... [and] escalating workforce costs”<sup>344</sup>. It cites the example of officers commuting from Northamptonshire to work in the Metropolitan Police (presumably in order to benefit from London weighting and London allowance payments) to illustrate the effect that regional pay differences can have on the behaviour of individual officers. It also thinks greater regional pay differentiation would inhibit force collaboration.

*Response by the Association of Police Authorities*

- 7.6.99 The APA is in favour of increased regional pay differentiation. The basic pay model that it proposes includes a payment, which it calls a ‘role premium’, that would reflect local labour market conditions. The APA argues for this ‘role premium’ to be set at force level by the police and crime commissioner.
- 7.6.100 The APA considers it important for forces to have the flexibility “to attract the right people in the right roles for the right price”<sup>345</sup>. Its proposal for a ‘role premium’ would, as the name suggests, be role specific. This would have the benefit, the APA argues, of allowing forces to recruit and retain officers in those posts which they have difficulty filling, without having to make the payment to all officers, as is the case at present with the south east and London allowances.
- 7.6.101 The APA argues that the London travel allowance artificially encourages officers to work in London. It says that the continuation of the London travel allowance would be damaging to its proposed ‘role premium’ form of regional pay, and should be abolished.

*Responses by police forces and authorities*

- 7.6.102 The Metropolitan Police Service (MPS) submitted to the review data to show the disparity in average earnings in London and elsewhere in the United Kingdom. The greatest difference is between London and Northern Ireland, where figures from the Annual Survey of Hours and Earnings 2010 shows that median gross weekly earnings for full-time employees were £642 in London and just £441 in Northern Ireland. London pay was 28.5% ahead of that for the rest of the UK.
- 7.6.103 The MPS argues that although the current London allowance and weighting provide a pay lead of about the right level on entry at constable, they are insufficient for officers at higher ranks. Since the London weighting and allowance payments have fixed cash values, their combined value as a percentage of total pay declines as pay increases. At ACPO ranks, the MPS argues, the London allowance and weighting payments account for only about three *per cent* of basic pay.
- 7.6.104 The MPS suggests that regional pay is desirable in order to encourage officers to live within their force areas. It says that would allow officers to understand better the issues that affect the communities they serve. It would also make it easier to recall officers to duty at short notice during disturbances, and in cases of severe bad weather.
- 7.6.105 The MPS also argues that local pay flexibility would help forces tackle retention problems related to particular locations or particular skills.
- 7.6.106 The joint submission from the Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire forces advocates regional pay within a national framework. Regional pay would take account of the different labour markets and costs of living found in the UK and could aid recruitment and retention in all forces. It argues that metropolitan forces, in particular, would have difficulty with recruitment and retention of officers if pay were not adequately to compensate for the higher cost of living in those areas.

344 ACPO submission, page 23

345 APA submission, page 17

- 7.6.107 The joint forces are opposed to a regional pay model that would leave pay to be determined locally. This would, they argue, create a competitive pay market between forces that would drive up pay rates. The forces in question experienced this problem recently with fingerprint experts. They also oppose to force-level pay determination on the grounds that it would increase the burden on their human resources departments and require the recruitment of specialist staff.
- 7.6.108 Instead, the forces support a national framework for police pay and conditions which allows for local flexibility to cater for local labour market variations, particularly with regard to bonuses, spot rates of pay, and market-related recruitment premia.
- 7.6.109 These regional pay variations should, the joint submission argues, be subject to regular review to ensure they still reflect labour market conditions and are fair to all forces in the region. It cites the example of the Northamptonshire Constabulary, which faces problems because it is within commuting distance of London and some of its officers are attracted to the higher rates of pay available in the Metropolitan Police.
- 7.6.110 The joint submission also recommends the adoption of a system to compensate forces for the loss of trained officers to other forces. It says that a national cost formula should be agreed to allow training costs to be reimbursed.
- 7.6.111 The Chief Constables in the south east (Thames Valley, Hampshire, Kent, Surrey and Sussex Police) and the Metropolitan Police submitted to the review a joint paper on regional pay. It advocates a regional pay system for the police service that ensures officers and staff in London and the south east are not disadvantaged by the high cost of living, and high house prices in particular, in these areas.
- 7.6.112 The Chief Constables quote Office for National Statistics data from 2004 that show that overall retail prices are approximately 9.7% higher in London compared with the UK average, and about 5.3% higher in the south east. Land Registry data from the third quarter of 2010 show house prices in London and the south east to be on average 85% higher than in the north of England.
- 7.6.113 They argue that the very low national police officer wastage rates hide retention problems experienced by forces in London and the south east. The south east forces lose officers to the Metropolitan Police, attracted by a higher regional allowance and London weighting, free travel and the greater career opportunities available in London. The Metropolitan Police loses officers to forces outside the south east, in pursuit of a lower cost of living. It is argued that this has resulted in the south east forces having to make a disproportionate investment in training, and causes them to operate with high proportions of inexperienced officers in frontline roles. They also point out that whilst the comparison of police officer pay with average regional earnings is a useful guide, there are significant variations even within a force area, and an effective regional pay system should be flexible enough to deal with them.
- 7.6.114 They advocate a regional pay system that includes pay differentials that realistically reflect differences in the cost of living and labour market conditions. They argue that pay in London and the south east should reflect the high cost of housing in those areas compared with other regions. They also argue that the current differential in regional allowance between London and the south east forces is too great, and encourages ‘economic migration’ from south east forces to London.
- 7.6.115 The south east Chief Constables argue that regional pay should be sufficiently flexible to allow forces to deal with local variations in housing costs and localised retention issues. They also advise that any regional pay system should include a review mechanism so that regional pay differentials can be adjusted to cope with future trends in the cost of living or the labour market.

*Response by the Police Federation of England and Wales*

- 7.6.116 The Police Federation advocates the retention of the *status quo*. It points out that the current pay structure has four levels of pay on the basis of location: the national rate, the London

allowance (in addition to London weighting) and two levels of south east allowance. It notes that this degree of regional variation is similar to practices widely adopted in both the public and private sectors, and is a satisfactory position.

- 7.6.117 The Police Federation submitted a helpful report produced by Incomes Data Services giving details of the regional and zonal pay schemes used by a number of employers in both the public and private sectors. The data contained in the report support the Police Federation's contention that the police service already has a pay system similar to those used elsewhere to take account of regional labour markets. Indeed, the report shows that the combined value of London allowance and London weighting for police officers, at £6,615, is quite considerably above the median payment for central London which IDS found to be just £3,300 in its latest study on London allowances<sup>346</sup>.
- 7.6.118 The IDS report notes the risks of regional or zonal pay systems. Whilst it recognises the potential cost control benefits, it warns that the resources required to manage a system can be costly, as regular reviews of the regional pay differentials would be necessary.
- 7.6.119 Boundaries of regional or zonal pay areas can create what IDS calls 'cliff effects', that is, large pay differentials between nearby locations. Such 'cliff effects' could lead to poaching between forces and has already done so in the case of the London allowance. Poaching could drive up pay, reducing the potential cost control benefits of regional pay.
- 7.6.120 IDS also highlights the equality considerations of a regional or zonal pay system. They could lead to equal pay concerns if they are not properly and transparently managed. Market supplements can also raise equal pay risks if not objectively justified.
- 7.6.121 The Police Federation commissioned focus group discussions on regional pay. Its findings indicate that although the London allowance was supported, 67% of the officers in the focus groups were opposed to the idea of regional pay.
- 7.6.122 The Police Federation considers the current London and south east allowances to be appropriate. It notes that the police service reduced the degree of local pay differentiation following the Sheehy report which brought an end to housing emoluments, the level of which varied between forces.
- 7.6.123 The Police Federation is in favour of the national determination of location allowances. National pay determination, it argues, reduces the number of negotiations required to set pay, saving administrative costs. It adds that national pay determination also facilitates collaboration and interoperability between forces.

*Response by the Police Superintendents' Association of England and Wales*

- 7.6.124 The Police Superintendents' Association takes a similar approach to regional pay to that articulated by the Police Federation. It is in favour of the status quo, recognising the validity of the existing London and south east allowances but opposing the expansion of regional pay to other areas. It says that there is no evidence that officers in some parts of the country are receiving significantly less in real terms than their counterparts elsewhere. By the same token, it argues that there is no evidence that taxpayers are paying significantly more than the market rate in some areas.
- 7.6.125 The Police Superintendents' Association favours national pay determination on the grounds that it saves on bureaucracy and administration costs compared with a more devolved system of pay determination. It also ensures a consistent approach across England and Wales. It warns that local pay determination would undermine collaboration and interoperability and could discourage officers from taking up secondments in other forces.
- 7.6.126 The Police Superintendents' Association does not consider transfers between forces, even when these are motivated by the higher earnings available in the Metropolitan Police, as a bad thing for the police service overall. The cost, it argues, is small when considered against

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<sup>346</sup> Police Federation submission, Appendix 2, page 19

total force budgets. The Association says that transfers have real benefits because they aid the development of individuals and enrich the skills and leadership culture in the police service.

*Response by UNISON*

- 7.6.127 UNISON is opposed to regional pay in the police service beyond the existing south east allowance, which it argues should be extended to police staff. It advocates a national pay and grading system for all police staff, to replace the current force-level systems. UNISON says that a national pay and grading scheme should be adopted for the following reasons:
- workforce modernisation requires a coherent, national approach to police staff pay;
  - national pay and grading would allow the Police Staff Council to deal with major policy issues in a consistent way across all forces;
  - national pay and grading will facilitate force collaboration or mergers;
  - the revised 13-factor job evaluation scheme developed by the Police Staff Council provides a basis on which to develop a national pay and grading system;
  - a national pay and grading system will tackle pay equality issues that UNISON argues forces have not dealt with themselves;
  - the link between pay and skills could be established more effectively through a national pay and grading system;
  - economies of scale can be achieved through a single national pay and grading structure; this will mean that pay and conditions negotiations are carried out once, rather than individually by all 43 forces;
  - many police staff are still on grading systems inherited from local government, and these should be replaced by a more modern and effective structure through a national scheme; and
  - the 2004 HMIC report *Modernising the Police Service* found significant differences in police staff pay rates across England and Wales that could not be explained by local market forces. It recommended that ACPO establish a common approach to job evaluation, but that forces should retain flexibility to respond to local needs<sup>347</sup>.
- 7.6.128 UNISON says that “[r]egional pay for police staff is already a reality” but one that has produced undesirable outcomes<sup>348</sup>. UNISON argues that it has led to inconsistency, poor value for money, and a lack of transparency in police staff pay.
- 7.6.129 UNISON submitted to the review information which shows the different levels of pay in forces a number of jobs that are ostensibly the same (UNISON is clear that the data are based on job title only, and recognises that some or all of the pay differences may be attributable to the weight of the job differing in the various forces). Much of this information is reproduced in the analysis section of this Chapter. It shows that pay differences between forces often do not follow labour market or cost of living variations. For example, station reception clerks are paid more in North Wales Police than they are in Surrey Police. Given that Surrey is an area with a higher cost of living and a more competitive labour market than North Wales, one would expect, other things being equal, that Surrey Police would have to offer a higher salary to attract candidates of the right calibre.
- 7.6.130 UNISON argues that these data show that a local grading structure has led to inconsistent pay for police staff. It also cites in support of this claim a report prepared by the management consultancy Accenture for the Home Office in 2005 on the pay of PCSOs<sup>349</sup>. The Accenture report said that regional variations in PCSO pay and conditions cannot be explained by differences in market forces or job weight, and that the difference between the highest and

347 *Modernising the Police Service*, HMIC, London, 2004, page 107. The report notes, in the sentence following the one quoted by UNISON, the importance of retaining an element of local flexibility.

348 UNISON submission, page 5

349 *Study of Terms and Conditions for Police Community Support Officers*, Accenture plc, London, 2005

lowest reward packages for PCSOs was worth £12,000. Accenture recommended that future changes to PCSO terms and conditions be made as part of a coherent programme of pay and conditions reform for all police employees. UNISON supports that recommendation and says that “the PCSO role demands a national pay” grade because of its “national role profile, standard powers, [and] national recruitment and training package”<sup>350</sup>.

- 7.6.131 UNISON restates the argument it made in its Part 1 submission for the payment of the south east allowances to be extended to police staff. It argues that both officers and staff should be compensated in the same ways for the higher cost of living in the south east. It argues that were an equality impact assessment to be conducted on the use of the south east allowance in the police service, it would be found to be discriminatory. This is because the allowance is paid to officers, the majority of whom are male, and not to police staff, the majority of whom are female.
- 7.6.132 UNISON says that it is inconsistent with the principle of the single police service, articulated in Part 1, for staff not to receive the south east allowance when officers do receive it. Some forces, UNISON says, argue that police staff pay is adjusted to meet the demands of the local labour market, making a south east allowance for staff unnecessary. UNISON says that the data it submitted, which shows that south east forces do not always pay more than forces elsewhere in the country, disproves this claim.
- 7.6.133 UNISON does not support any regional pay variation outside the south east of England. It does not see any evidence that regional labour markets exist which require the extension of the concept of regional pay. UNISON submitted to the review a report it commissioned from Incomes Data Services on regional pay. The report indicates that:
- complex regional pay systems are rare in both the public and private sectors because of the resources required to operate them;
  - zonal pay systems generally reflect the established hierarchy of London, south east and national pay rates;
  - there is little difference in earnings between regions outside London and the south east;
  - there is little difference in the cost of living between regions outside London and the south east; and
  - complex regional pay systems have not been successful, with the National Health Service regional pay system being replaced by its present national pay and grading system.

#### *Responses by other unions*

- 7.6.134 Prospect is in favour of maintaining locally determined pay arrangements for police staff. It considers the *status quo* in the Metropolitan Police to be of benefit to both staff and employer. It argues that a national pay scale would lack the flexibility to cater for the London labour market, and therefore that another form of London allowance would be required.
- 7.6.135 Unite advocates a strengthened role for the Police Staff Council, with national collective bargaining used to determine the basic pay spine, allowances and uplifts.

#### *Additional consultation responses*

- 7.6.136 The Confederation of British Industry (CBI) says that labour markets and the cost of living vary across the UK. It advocates setting pay closer to the level of local operating organisations or units unless there are good reasons to use national arrangements. The CBI recognises that the London allowance already reflects the London labour market, but suggests that greater flexibility in police officer pay may be required.
- 7.6.137 QCG Ltd argues that the benefits of introducing regional pay arrangements are significant. It says that they typically save between five and ten *per cent* of the paybill. QCG Ltd explains that pay in the economy in general varies according to such factors as demand for labour,

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350 UNISON submission, page 9

availability of skills and living costs. Employers in the private sector with widely dispersed workforces have moved more quickly to regional pay structures than has been the case in the public sector. QCG Ltd argues that public sector employees have been more accepting of the logic of relating pay to local market conditions than have been national trade unions and public sector managers.

- 7.6.138 QCG Ltd says that regional pay differentiation has a greater significance for more junior and more generic roles. It suggests that roles paid at £35,000 or below should be subject to regional variation. Location plays a less important part at more senior levels as professional qualifications and specialist skills become more significant.
- 7.6.139 QCG Ltd says that whilst there may be a need for some pay flexibility at force level, a local approach raises the risk of creating pay disparities that are not easily explained. If this occurs, QCG Ltd argues, the benefits of a regional pay structure would be lost. It suggests that there could, therefore, be a role for a national authority or advisory group to provide technical data and advice to forces.
- 7.6.140 The Local Government Group (LGG) says that police staff pay should continue to be determined locally through local pay grading on a national pay spine. It argues that national grading would introduce unnecessary costs in some areas.
- 7.6.141 The LGG is in favour of the *status quo* for police officers too, favouring the retention of the London and south east allowances but counselling against regional pay determination. For regional pay bargaining to be effective, the LGG suggests, there would have to be clearly defined regions that map onto distinct labour markets. Since this is not the case, regional pay bargaining would not work and should be avoided.
- 7.6.142 Reform advocates the abolition of national pay determination. It says that police officers' pay, terms and conditions should be negotiated locally. Reform cites Professor Alison Woolf's work to make the argument that national pay has a harmful effect on public services and the private sector in regions with lower earnings, because public sector employers cannot adjust salaries according to local labour market conditions.

### *Seminars*

- 7.6.143 The review held a seminar to discuss basic pay on 21 July 2011, which included a debate on regional pay. Ms Sarah Mott, Rewards and Benefits Manager at Kent Police, and Mr Paul McElroy, Head of Human Resources at Surrey Police, both emphasised the retention problems their forces have faced in the past caused by the high level of the London allowance and the consequent attraction of officers to London.
- 7.6.144 Mr Alan Hurst of QCG Ltd explained that he saw the problem with national pay negotiation as being the likelihood that it will lead to a level of pay outside the south east which is higher than it needs to be. He said that there are benefits to the wider economy from regional pay, as it stops the public sector "distorting" the local market of the private sector in the lower wage regions of the country<sup>351</sup>.
- 7.6.145 Mr Ben Priestley of UNISON remarked upon the unfortunate experience of the NHS in adopting local pay in the 1990s. It led, Mr Priestley said, to an internal market that drove up wages and increased the paybill. He said that because police jobs are highly skilled and constitute a national market<sup>352</sup>, a national pay system should be introduced for police staff. He argued that there is already a regional pay system in the police service – that used to pay police staff – but that it is not working, and that there does not appear to be any evidence that the cost of living or regional pay markets are influencing police staff pay<sup>353</sup>. He warned that a regional pay system risks introducing 'leap frogging' where forces would compete for staff by offering ever higher wages<sup>354</sup>. He said that the idea that the private sector used regional pay structures,

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351 Basic pay seminar (2011), page 76

352 *ibid.* page 11

353 *ibid.* page 30

354 *ibid.* page 54

except in the most general way which the police service already replicates, was a fallacy<sup>355</sup>. Mr Priestley said that a national pay system could be the basis for an equality-proofed pay structure for police staff<sup>356</sup>. It would save money because it would replace 43 pay negotiations with just one national pay negotiation<sup>357</sup>.

### *Website*

- 7.6.146 Some respondents regard regional variations in the cost of living as an important factor in determining basic pay, and argue for a link between basic pay in each force area and a cost of living index for that area. Another respondent saw regional pay as a particularly important issue for London, given the high cost of housing in and around London. However, another warned that regional pay could damage attempts by forces to work in a more integrated fashion and collaborate across regions.

### **Conclusion**

- 7.6.147 The police service already has a regional pay structure for officers and a force-level pay structure for staff. Police officers are paid on a regional basis, with a national pay rate, in addition to which there are two levels of south east allowance and a London allowance for officers in those regions. Police staff pay grades are set at force level, and some forces use market supplements to reflect specific labour market conditions in their areas. This section considers the case for changes to the pay structures for officers and staff. It also discusses the possibility of introducing a new system under which forces compensate one another for recruiting officers and staff who have recently been trained, at considerable expense, by another force.
- 7.6.148 First, it is important to differentiate between cost of living and earnings. This review is primarily concerned with the latter, because it is a significant determinant of the salary level required to recruit and retain individuals of suitable quality for the police service.
- 7.6.149 The taxpayer should always receive the best possible value for his money. National pay scales can result in the salary level required to recruit and retain people in London and the south east being applied to the whole country. This means that people outside the south east of England may be paid more than necessary. This is bad for the taxpayer for two reasons. First, he has overpaid for officers in many areas of the country. Secondly, as Professor Wolf has shown, this overpayment is detrimental to the wider economy, as wages are driven up. Regional pay in the police service means that officers outside London and the south east are not paid the high rates that are required to recruit candidates of the right quality in those highly competitive labour markets. This is the right approach because it ensures that taxpayers' money is not wasted, and I have given very considerable attention to whether regional pay in the police service can be taken further. In particular, I have been concerned to see whether the regional pay structure for police officers can be moved closer to the approach used for police staff.
- 7.6.150 Every local pay structure should be based upon robust data. At the least, data that show earnings at police force area level, and the occupational mix in those areas, are required. Local pay within the police service should be based on force areas because an officer may be posted to any workplace within his force area.
- 7.6.151 Professor Disney explored three options for moving police officer pay onto a more localised basis: local bargaining, a local pay formula, and a system of local allowances, building on current regional pay arrangements. Of these three options, a system of local allowances is the best approach because it enables national control of total wage costs; reflects local labour market conditions; reduces the risk of forces driving up salaries in competition for recruits; and allows for a degree of judgment that a formula does not. It would be desirable to extend the existing system of regional allowances for police officers to allow greater variation between forces to reflect local labour market conditions.

355 *ibid.* page 72

356 *ibid.* page 57

357 *ibid.* page 55

- 7.6.152 The lack of recruitment and retention problems in England and Wales suggests that basic pay could be reduced somewhat without damaging the quality of recruits, particularly in areas with relatively low average earnings and high unemployment. A system of local allowances, focused on London, the south east, and the Midlands, could ensure that in these more competitive labour markets the police service could still offer sufficiently attractive earnings to recruit and retain officers of the necessary calibre.
- 7.6.153 One of the guiding principles of this review, established in Part 1, is that change should be introduced in a phased manner. Now is not the time to make significant changes to the system of regional allowances for police officers. This is one area where continuity, at least in the short-term, is desirable. This review recommends many changes, including significant changes to basic pay. The recommended shortening of the constables' pay scale should in itself remove some of the variations in earnings across police force areas. Professor Disney suggests that some of the differences in average earnings between forces are caused by the different age profiles of the officers in the force. Longer serving officers will be higher up the pay scale (and therefore earn more) than officers with shorter service. A shorter pay scale will dampen the effect of age on force average earnings.
- 7.6.154 The changes required to make a system of local allowances work effectively would be extensive. In order to implement local pay differences of the scale that Professor Disney's work shows are justified, either the national basic rate of pay would have to be cut, or the police wage bill would have to be increased. The latter is not justifiable. Professor Disney's work shows that there are no recruitment and retention problems, that constables earn a relatively high salary compared with other the other emergency services, and that police officers earn salaries comparable with many professional occupations. In such circumstances, increasing police officers' pay is unnecessary and would not be fair to the taxpayer. The alternative approach would be to reduce the basic national rate and increase local allowances. This would require very significant cuts in the basic pay of officers outside London and the south east. Doing so at the present time would be unfair to police officers, who have made their personal financial arrangements on the basis of their current earnings.
- 7.6.155 Therefore, I recommend that the development of a system of local allowances for police officers is developed in the medium- and long-term in such a way that significant cuts to the national basic rate of pay are not necessary.
- 7.6.156 A future police pay review body should be remitted to conduct this work. The national basic rate of pay should be kept at a level justified by the local labour market conditions, and recruitment and retention rates, in force areas with the least competitive labour markets. If labour market conditions create the risk of recruitment or retention problems in particular force areas (likely to be London and the south east), a local allowance should be used to raise police officer earnings in those force areas sufficiently to recruit and retain officers of the necessary calibre. Care should be taken to ensure that disparities in earnings between neighbouring forces do not become so great as to cause retention problems in lower-paying forces.
- 7.6.157 The APA argued for the abolition of the London travel subsidy on the grounds that it could interfere with a regional pay system. I do not recommend its abolition in the short-term because doing so would constitute a significant reduction in earnings for many officers which would not be justified unless other, wider changes were made to regional pay arrangements for the police service. However, I recognise that the London travel subsidy is, in effect, a form of regional allowance, and recommend that the pay review body take its value into account when formulating an extended model of local allowances for police officers.
- 7.6.158 Local pay for police officers should continue to take the form of allowances, rather than becoming part of basic pay. Basic pay should continue to remunerate the individual for the core requirements of the job.

#### *South east and London allowances*

- 7.6.159 The recommendations made above are for the medium- and long-term. There is also a need to consider changes in the short-term necessary to mitigate the effect that the higher earnings

available in London have had on retention rates in forces in the south east. I am aware that some of the south east police forces used Special Priority Payments (SPPs) to retain officers in important roles close to the border with the Metropolitan Police. Part 1 recommended the abolition of SPPs, and that recommendation has been accepted. The south east forces have therefore lost this instrument. To compensate for this, and to maintain the flexibility which south east forces need in this respect, I recommend that forces should be granted greater flexibility in the payment of the existing London and south east allowances. In that respect, I recommend that the amount of regional allowance paid to an individual officer should be at the discretion of the Chief Constable, up to the current maximum level. Maintaining a cap will ensure that forces cannot compete to recruit and retain officers by raising the value of their allowances. Were this to happen, it would drive up pay bill costs and result in poor value for money for the taxpayer.

- 7.6.160 I recommend that Chief Constables should also be able to set eligibility criteria for receipt of regional allowances on the basis of location and satisfactory performance. Giving Chief Constables this measure of discretion will ensure that limited resources are spent where they are needed most, as recruitment and retention problems, particularly in those forces that border London, are not equally severe throughout the force area. Retention problems are often concentrated in those parts of the force area nearest to London. Satisfactory performance should be a criterion for eligibility to receive a regional allowance, as there is no justification for spending taxpayers' money to retain officers who are not efficient.
- 7.6.161 These recommendations will not create any significant additional bureaucracy. I recommend their introduction in April 2013.
- 7.6.162 These recommendations have been assessed for potential adverse effects on those with protected characteristics under the Equality Act 2010. Table 7.62 below shows the number of officers, by ethnicity and gender, in the forces that receive regional allowances in comparison with those that do not.

**Table 7.62: Gender and ethnicity of officers in receipt of regional allowances**

Regional allowances	White/ unstated males	BME males	White/ unstated females	BME females
London allowance and London weighting (Metropolitan Police and City of London)	69%	7%	21%	2%
Lower south east allowance (Bedfordshire, Hampshire, Sussex)	69%	2%	28%	1%
Higher south east allowance (Essex, Hertfordshire, Kent, Surrey, Thames Valley)	69%	3%	28%	1%
Other forces	71%	2%	26%	1%

*Source: Police Service Strength England and Wales, 31 March 2011, Home Office.*

- 7.6.163 Those forces which pay their officers a regional allowance contain a disproportionately large number of BME officers (both men and women). BME officers make up 9% of the two London forces; 3% of the forces which pay the lower south east allowance; and 4% of the forces which pay the higher south east allowance. In comparison, BME officers make up 3% of the forces that do not pay any regional allowance. The regional allowance policy I recommend does not, therefore, have an adverse impact on BME officers.
- 7.6.164 The two London forces have lower proportions of female officers than those forces that do not pay any regional allowance (23% compared to 27%). The forces that pay the south east

regional allowance have a higher proportion of female officers than those forces that do not pay any regional allowance (29% compared to 27%). This indicates that regional allowances have a mixed impact on female officers. Female officers disproportionately benefit from the south east allowance, but suffer an adverse impact from the London allowance. This adverse impact is justified because the London allowance is a proportionate means of pursuing a legitimate aim. That aim is to ensure the recruitment and retention of police officers of an appropriate calibre in the Metropolitan Police Service and City of London Police. The value of the allowance (£4,338) equates to approximately 12% of a constable's basic pay. It is broadly in line with those paid by other employers in both the public and private sectors.

- 7.6.165 The Chief Constables of Thames Valley, Hampshire, Kent, Surrey and Sussex submitted a joint response to the review which suggested that the difference in the values of the London and the south east allowances should be reconsidered. They argued that the London allowance is too high in comparison with the south east allowance, and that this is encouraging 'economic migration' of police officers from their forces to the Metropolitan Police. This appears to be the sole police officer retention problem faced by forces at present. The data in Figure 7.22 show that the Metropolitan Police has by far the largest number of officers joining it from other police forces, of any force in the south east of England, and support the case of the Chief Constables of the south east forces.
- 7.6.166 I will not recommend an increase in the value of the south east allowance because it would add to the pay bill costs of the police service and, in the present circumstances, would be unaffordable. The value of the London allowance should not be reduced. The London allowance exists to recruit and retain officers of the right calibre for the two London forces. They are competing for individuals with the right skills and qualities not only with the south east forces, but also in the wider London labour market. A reduction in the London allowance would increase the risk of police officer recruitment and retention difficulties in London. This is the area of the country, more than any other, where the labour market data overwhelmingly support the existence of a regional allowance.

#### *Reimbursing training costs*

- 7.6.167 An officer may be trained by one force but transfer to another for any of several reasons. Some officers move for higher pay. As explained in paragraph 7.6.91, this is a rational action for an individual to take, and at a national level it has no net financial effect. However, it does cause difficulties for some police forces as their training budgets are, in effect, subsidising those of neighbouring forces.
- 7.6.168 In order to ensure that the cost of recruitment and training is more fairly spread between forces, and to compensate forces which lose recently trained officers, I recommend the introduction of a new system in which the recruiting force pays compensation to the force which trained the officer in question. Movement of officers between forces has benefits and should not be discouraged, but the efficiency and economy of individual police forces require that forces do not escape legitimate officer training costs by the simple expedient of recruiting recently trained officers from other forces.
- 7.6.169 The cost of recruiting and training officers vary to some extent from force to force. However, in the interests of efficiency and simplicity of operation, the new scheme should be a national one which works on the basis of a single average cost of training. Policy Exchange, in its recent publication *Cost of the Cops*, estimated the average cost of training a constable, including the salary cost in the first year when he does relatively little public-facing duty, to be £50,000<sup>358</sup>. The National Policing Improvement Agency believes this amount is too high, attributing as it does one year of a probationer's salary (and associated employment costs) to training when even those officers who receive all their training after recruitment achieve independent patrol status on average six months after joining. The actual amount varies considerably depending on how an officer can be deployed and on the extent of his development and the use by forces of pre-joining qualifications, which can significantly reduce costs. Nevertheless, recruiting

<sup>358</sup> *Cost of the Cops: Manpower and Deployment in Policing*, E. Boyd, R. Geoghegan and B. Gibbs, London, 2011, page 34

and training a new police officer over the first year of his probation represents a significant expenditure for a police force, and the £50,000 figure is a sound starting point for illustrating the effect of this recommendation. The future police pay review body should work with forces and the Police Professional Body to establish an agreed figure.

- 7.6.170 A force receives a return on this investment over the course of the constable's career. I recommend that the proportion of training costs reimbursed should diminish over time. This is because the longer the officer stays with the force which trained him, the greater will be the return on its investment which the force will receive, and therefore the lower will be its loss when the officer leaves. I recommend the model set out in the Table 7.63.

<b>Table 7.63: Recommended rate of reimbursement of constable training costs</b>		
<b>Year of service</b>	<b>% of training costs to be reimbursed</b>	<b>Amount (£) to be reimbursed, on the basis that training costs £50,000</b>
1	100%	£50,000
2	80%	£40,000
3	60%	£30,000
4	40%	£20,000
5	20%	£10,000
6 and subsequent	0%	£0

- 7.6.171 The training cost reimbursement should only apply to a constable in his first five years of service. After that point, the force that paid for his recruitment and training will have had a reasonable return on its investment. To extend this policy beyond the first five years of an officer's career would be unduly restrictive, and could discourage the movement of officers between forces. As explained, the movement of officers from one force to another is often beneficial to the police service, and should not be unduly inhibited.
- 7.6.172 This recommendation would entail a small additional amount of bureaucracy to policing, as forces would have to make calculations which are presently unnecessary. However, the additional administration will be slight, and the recommended table of transfer costs could hardly be simpler.
- 7.6.173 This new system of compensation for training costs should be introduced in April 2013. If such a system is successful, consideration should be given to its extension to the transfers of officers with longer service and who have specialist skills, such as firearms or surveillance. I recommend that the new police pay review body examines the case for such a system in its first triennial review.
- 7.6.174 This new system, combined with the greater flexibility I recommend to enable Chief Constables to focus regional allowances on the officers or posts that need them most, should solve the retention problem faced by south east forces.

### **Police staff**

- 7.6.175 UNISON contends that the current regional pay structure for police staff is not working, and has led to inconsistent and non-transparent pay for police staff. The data provided by UNISON is difficult to interpret with any degree of certainty. Professor Disney has compared UNISON's data on police staff pay with average outside earnings in the police force areas in question (some of the tables are reproduced in the analysis section above).
- 7.6.176 Professor Disney's analysis of the pay data supplied by UNISON shows that some police forces in higher earnings areas pay higher wages to their police staff. Surrey, Hertfordshire, Thames Valley Police are examples. Similarly, Durham and Northumbria Police pay low wages in lower pay areas. However, some forces, particularly those in Wales and central England, diverge from

this pattern. Professor Disney’s assessments of the likely causes of these discrepancies are shown in the analysis section of this Chapter.

- 7.6.177 He concluded that, in the absence of more comprehensive data, it is not possible to determine the reason for these regional divergences, and in any case the reasons may be different in different forces. UNISON’s argument for a national pay and grading system for police staff is not convincing. Paying different salaries to police staff doing the same jobs in different forces is not unfair. If police staff of the right calibre are prepared to work in a particular force for pay which is lower than they could earn in another force, that is their choice. The market in the area in question has therefore correctly priced the labour of the requisite quality, and the supply of that labour has met the corresponding demand. The payment of that lower rate is in the interests of the taxpayer, who should never be required to pay more than the market rate for the labour. There is no sound reason to introduce a national pay and grading system to overcome the natural workings of the labour market, so as to produce labour costs which are artificially high.
- 7.6.178 I recommend that police staff grading continues to be determined at force level because this approach offers the best value for money for the taxpayer.
- 7.6.179 I recommend that forces examine how the police staff salaries they offer relate to the local labour market. It appears from the data available to the review that some forces, particularly in Wales and central England, are paying more than necessary in order to recruit and retain individuals of the appropriate calibre. The rights of taxpayers to value for their money, and the need to avoid local labour market distortions, make this work necessary.
- 7.6.180 I do not accept UNISON’s argument that the south east allowance should be made available to police staff. The south east allowance should only be paid to police officers. This is because officers’ pay is determined nationally, and forces do not have the flexibility to raise basic pay to deal with local recruitment or retention difficulties. The south east allowance – which is not part of basic pay – serves to deal with the officer retention problems some south east forces experience. Police staff pay is determined at force level. If forces face recruitment and retention problems with police staff, they already have the ability to introduce new rates of pay, or recruitment and retention premia, to tackle the problem.
- 7.6.181 UNISON argues that it is discriminatory for forces to pay the south east allowance to police officers (the majority of whom are male) but not to police staff (the majority of whom are female). There is no unlawful discrimination because officers and staff are not usually employed on equal work and their pay is determined by different arrangements. Both pay systems have the capacity to take account of recruitment and retention problems in the south east of England, but they do so in different, non-discriminatory ways.

**Recommendation 73 – The new police pay review body should review the level and scope of regional allowances for police officers. The national rate of basic pay should only be raised if justified by recruitment and retention problems in force areas with the least competitive labour markets. Local recruitment and retention problems should be solved through an enhanced system of regional allowances. The pay review body should begin this work in its first review.**

**Recommendation 74 – Chief Constables should be given discretion to pay regional allowances up to the current maximum level, as set out in Determination Annex U made under Regulation 34 of the Police Regulations 2003, and the discretion to apply eligibility criteria based on location and performance.**

**Recommendation 75 – Forces that recruit constables in the first five years of their service should pay compensation to the force from which they have recruited the constable, to ensure that training costs are fairly shared amongst all forces.**

**Recommendation 76 – The new police pay review body should consider the case for the extension of a system to reimburse the training costs of specialist police officer roles, such as firearms, in its first triennial review.**

**Recommendation 77 – Police staff pay grading should continue to be determined at force level.**

**Recommendation 78 – Police forces should examine how their police staff salaries relate to the local labour market, and adjust them if they are found to be paying rates that are above or below the level necessary to recruit and retain individuals of the right calibre.**

## 8 Contribution-related pay

Performance-related pay has been used in the police service over the last decade with limited success. Whilst it appears to have worked reasonably well in the superintending ranks, it has been less successful in the Federated ranks. The great majority of police officers still receive automatic pay progression. Regrettably, this has bred a culture of entitlement, where pay increases are granted even to those who do not work as hard or as effectively as their colleagues and make little appreciable contribution to the policing of their area.

This state of affairs is unsustainable. The police service must catch-up with other occupations in both the public and private sectors where pay rewards are appropriately and efficiently linked to contribution, in order to produce higher levels of service to the public. If contribution-related pay can improve standards and markedly reduce poor performance, as I believe it can, it is certainly in the public interest that it should be properly designed and competently operated. In many important respects, policing is a complex and safety-critical endeavour, highly dependent upon effective team work. The professional and public service ethos and motivations of police officers and police staff need fully to be taken into consideration and given full weight, so that the system which is introduced facilitates and intensifies the dynamics and values of policing in England and Wales.

The principal recommendations in this Chapter include:

- the introduction of contribution-related pay progression throughout the police service, for officers and staff of all ranks;
- the abolition of individual bonuses in the police service;
- the abolition of Competence-Related Threshold Payments;
- the introduction of team bonuses, to be awarded to officers and staff in high-performing teams;
- a new performance development review (PDR) system for the police service to form a robust basis for decisions about contribution-related pay progression;
- forced distribution of PDRs to encourage managers to focus their efforts on tackling the least effective ten *per cent* of the workforce, prompting them to consider the use of the unsatisfactory performance procedures in appropriate cases whilst retaining due managerial discretion.

- 8.0.1 This Chapter discusses the advantages and disadvantages of relating pay to performance in the police service, an instrument and practice usually known as performance-related pay (PRP). It must be acknowledged, however, that in the police service there are material disadvantages in assessing officers or staff members in terms only of their outputs (that is, their measurable individual achievements), for example, the number of arrests made in a specified period of time. Such measures alone may well create perverse incentives, distort the proper exercise of a constable's discretion and lead to harm to the public interest and the operation of policing communities with their co-operation and consent. For these reasons, Part 1 considered that a more appropriate measure would be 'contribution-related pay', which involves a qualitative assessment of what an officer or staff member puts into the work he does, the effort and skills he expends and uses, and what he does as part of a team; these are often described as inputs.

## 8.1 Contribution-related pay

### Background

#### *History*

- 8.1.1 Before the Desborough report of 1919, some police forces used a system of ‘merit pay’. Merit badges carried extra, pensionable pay at the rate of a penny or twopence a week, and could be awarded for acts of courage or special merit, good conduct and efficiency, or long service.
- 8.1.2 The Desborough report recommended the introduction of performance-related progression for constables under two separate schemes.
- 8.1.3 Two long-service increments (available after 17 and 22 years’ service) were only to be granted to an officer “at the discretion of the Chief Constable and subject to the constable’s good conduct and efficient service”<sup>1</sup>.
- 8.1.4 Secondly, constables could move more rapidly through the increments on the pay scale if they performed well:

*“[A] constable with not less than 5 years’ service should be eligible for the grant of a special advance of one increment in the scale if his conduct has been good, his service has been marked by special zeal, general intelligence and proficiency, and he passes a qualifying examination in educational subjects and police work of the standard required for promotion ... [A] second special advance of one increment might be granted after a further year if considered justified by the constable’s conduct and efficiency”<sup>2</sup>.*

- 8.1.5 Payment of the special increments was to be “subject to continued good conduct and efficiency, and if this condition is not satisfied the constable should revert to the ordinary scale”<sup>3</sup>. That meant increments could be lost as well as gained, depending upon the constable’s performance.
- 8.1.6 Desborough recommended that merit pay for good conduct and proficiency would not be necessary if his other recommendations were accepted, and acts of courage “are best rewarded by a grant of a lump sum or a weekly allowance for a limited period... [and] should not be reckoned for pension”<sup>4</sup>.

#### *The Oaksey Committee 1948*

- 8.1.7 In 1948, the Oaksey Committee reviewed the effect of Desborough’s recommendations on performance-related pay. Oaksey said:

*“Nominally the additional increments are granted at the discretion of the chief officer of police as a reward for zeal, proficiency and good conduct, but we understand that in practice they are nearly always granted, and usually at the earliest permissible stage”<sup>5</sup>.*

- 8.1.8 Whilst Oaksey found Desborough’s intentions ‘admirable’, he did not consider them to have been achieved. The problem was that “[b]ecause of the difficulty in deciding what constitutes ‘special zeal, intelligence and proficiency’, special increments have in most forces been awarded automatically to all men who have satisfied the other conditions”<sup>6</sup>. The criterion for the award of performance-related pay was insufficiently rigorous. Oaksey thought that it could not be “applied in practice with any degree of consistency” but was “unable to devise a better one that would secure the desired end”<sup>7</sup>. He therefore recommended that the special increments

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1 Desborough report, paragraph 39

2 *ibid.* paragraph 40

3 *ibid.* paragraph 40

4 *ibid.* paragraph 42

5 Oaksey report, paragraph 34

6 *ibid.* paragraph 42

7 *ibid.* paragraph 42

be discontinued<sup>8</sup>. Oaksey could not find a better approach to performance-related pay, and instead recommended that “no special conditions should be attached to the ‘long service’ increments in our scale”<sup>9</sup>.

### *The Royal Commission 1960*

- 8.1.9 In general the Royal Commission of 1960 was not in favour of performance-related pay, stating that “there is no scope for incentive bonus schemes or payment by results in the police service”<sup>10</sup>.
- 8.1.10 Contrary to this statement, however, it recommended a single element of performance-related pay. It said that a bonus of £30 should be paid to constables and sergeants who passed the promotion exam, but did not receive a job at the higher rank, finding that “there are good grounds for introducing the payment of it [to] reward ... the man who displays the ability and zeal to pass the promotion examination”<sup>11</sup>.

### *The Sheehy report 1993*

- 8.1.11 In his 1993 report Sir Patrick Sheehy recommended the introduction of bonuses for all ranks, to “recogni[se] ... individual performance and special achievements over and above requirements”<sup>12</sup>. He recommended that “both individual and team bonuses should be available and that a significant proportion of pay at senior officer level should be dependent on the award of bonuses”<sup>13</sup>.
- 8.1.12 Team bonuses were to be awarded to the Federated ranks at the discretion of the Chief Constable<sup>14</sup>. Individuals who received unsatisfactory markings in their annual appraisals, except those new to a role, were to be ineligible for a team bonus<sup>15</sup>.
- 8.1.13 Sheehy recommended that individual bonuses be set at different rates for the higher ranks, with bonuses increasing in size as seniority in rank increased. Superintendents were to have a bonus opportunity of up to 10% of basic pay<sup>16</sup>. Assistant Chief Constables were to have a bonus opportunity of up to 20% of basic pay<sup>17</sup>, and Chief Constables up to 30% of basic pay<sup>18</sup>. Individual bonuses for all ranks beneath him were to be at the discretion of the Chief Constable<sup>19</sup>.
- 8.1.14 Like the majority of Sheehy’s recommendations, these were not put into practice. However, as performance-related pay became increasingly common in the public sector in the 1990s and 2000s, arrangements very similar to those recommended by Sheehy were established.

### *Recent developments*

- 8.1.15 In 2002, agreement was reached on the creation of Competence Related Threshold Payments (CRTPs) for the Federated ranks, with the first payments made in 2003<sup>20</sup>. CRTPs were an additional payment for those officers who had reached the top of their pay scales. CRTPs were only to be awarded to officers who had demonstrated high professional competence in the following areas:
- results;

8 *ibid.* paragraph 56

9 *ibid.* paragraph 43

10 Royal Commission report, paragraph 173

11 *ibid.* paragraph 191

12 Sheehy report, paragraph 1.14

13 *ibid.* paragraph 9.38

14 *ibid.* paragraph 9.53

15 *ibid.* paragraph 9.51

16 *ibid.* paragraph 7.25

17 *ibid.* paragraph 7.36

18 *ibid.* paragraph 7.26

19 *ibid.* paragraph 9.53

20 *PNB Circular 02/17*

- commitment to the job;
  - relations with the public and colleagues; and
  - willingness to learn and adjust to new circumstances.
- 8.1.16 The CRTP was worth £1,002 when first introduced, and was increased until it reached £1,212 in 2010/11<sup>21</sup>.
- 8.1.17 The 2003 agreement on superintendents' pay and conditions introduced two elements of performance-related pay for the superintending ranks. First, performance-related pay progression was introduced, meaning that progression up the increments of the superintendents' pay scale was dependent upon annual appraisal markings. Those rated as 'not yet competent' would not receive any incremental progression. Those rated as 'competent' would advance by one increment, whilst those rated as 'exceptional' would advance by two increments in a single year.
- 8.1.18 Secondly, performance bonuses were introduced. Those superintendents who had been at the top of their pay scale for at least 12 months would be eligible for a bonus if they were rated as 'exceptional' in their annual appraisals. The bonus was to be worth 5% of pensionable pay<sup>22</sup>.
- 8.1.19 The 2004 agreement on chief officers' pay and conditions introduced performance-related pay for the ACPO ranks<sup>23</sup>.
- 8.1.20 Assistant Chief Constables were to receive performance-related pay progression on the same basis as the superintending ranks; thus there would be no increment for those rated 'not yet competent', one increment for those rated 'competent', and two increments for those rated 'exceptional'.
- 8.1.21 A performance-related bonus scheme was made compulsory for all new entrants to the chief officer ranks, with larger rewards available for those at the top.
- Chief Constables were eligible for performance-related bonus payments of up to 15% of basic pay. Police authorities were able to determine policy for their own forces;
  - Deputy Chief Constables were eligible for a bonus of up to 12.5% of their basic salaries; and
  - Assistant Chief Constables were eligible for a bonus of up to 10% of their basic salaries.
- 8.1.22 Bonuses were to be paid on the basis of criteria that:
- “... take account of chief officers' PDRs and their contribution to force performance in achieving objectives as set out in national and local policing plans and will reflect data supplied centrally by the appropriate agencies. Consideration will be given to contributions made at national level”<sup>24</sup>.*
- 8.1.23 A bonus system for the Federated ranks was also introduced, but it was less centralised in character. Bonus payments of between £50 and £500 per head were introduced to recognise occasional work of an outstandingly unpleasant, demanding or important nature. It was left to each police authority, working with the Chief Constable and in consultation with staff associations, to determine a local policy<sup>25</sup>.

### *Status quo*

- 8.1.24 The status quo before the recommendations in Part 1 was as established by the pay and conditions agreements in the early 2000s, as follows:
- Federated ranks were eligible for CRTPs;

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21 PNB Circular 02/9, page 10

22 PNB Circular 03/18, page 4

23 PNB Circular 04/05, annex A

24 PNB Circular 04/05, Annex A, page 3

25 PNB Circular 02/9, page 16

- superintending ranks had performance-related pay progression, and were eligible for bonuses worth up to 5% of basic pay once they had been at the top of their pay scales for 12 months;
- Assistant Chief Constables had performance-related pay progression, and were eligible for bonuses worth up to 10% of basic pay;
- Deputy Chief Constables were eligible for bonuses worth up to 12.5% of basic pay
- Chief Constables were eligible for bonuses worth up to 15% of basic pay<sup>26</sup>; and
- Chief Constables could award an officer of any rank a payment of £50-500 to recognise a piece of work which was outstandingly demanding, unpleasant, or important<sup>27</sup>.

### *Part 1 recommendations*

8.1.25 In Part 1, I recommended that:

- CRTPs should be abolished, because they have not worked as they were intended to. Officers were almost certain to receive the CRTP if they applied for it, meaning that in practice they were not performance-related but had become another point on the pay scale<sup>28</sup>.
- The bonus scheme for the superintending ranks should be suspended for a period of two years, commencing in September 2011<sup>29</sup>.
- The whole police workforce eligible for pay progression should have this frozen for two years, commencing in September 2011<sup>30</sup>.
- The bonus scheme for chief officers should be suspended for a period of two years<sup>31</sup>.
- Chief Constables should continue to be able to make bonus payments of between £50 and £500 to recognise a piece of work which is outstandingly demanding, unpleasant, or important<sup>32</sup>.
- Chief officers should recognise whole teams, both officers and staff, with a team recognition award payment, worth from £50 to £100 for each individual for outstandingly demanding, unpleasant, or important work, or outstanding work for the public<sup>33</sup>.

8.1.26 In January 2012, the Home Secretary announced that she accepted both the recommendation on Part 1 made by the Police Negotiating Board (PNB) and the determination of the Police Arbitration Tribunal (PAT) on those issues on which the PNB had failed to reach agreement<sup>34</sup>. The suspension of individual bonuses, the introduction of team bonuses, and the maintenance of bonuses to recognise a piece of work which is outstandingly demanding, unpleasant or important have all been accepted. The progression freeze has been amended so that it no longer applies to constables on the first three pay points of the pay scale. The PAT determined that CRTPs should not be abolished yet, and that they should continue to be paid to those officers who already have them, but that new applications for CRTPs should be suspended for two years.

26 Determination Annex F made under Regulation 24 of the Police Regulations 2003

27 Determination Annex U made under Regulation 34 of the Police Regulations 2003

28 Part 1 report, page 129

29 *ibid.* page 120

30 *ibid.* page 107

31 *ibid.* page 116

32 *ibid.* page 129

33 *ibid.* page 133

34 *House of Commons Official Report*, Col 31WS, 30 January 2012

## Analysis

### *Performance-related pay literature review*

- 8.1.27 The term ‘performance-related pay’ refers to any scheme whereby pay is linked to performance or job contribution. The element of pay may be a single lump sum payment or may involve the addition of an increment to salary. The measure of performance may be based on specific inputs, outputs or outcomes, or based on an overall assessment of the worker’s performance, for example, through annual appraisal. A literature review of academic studies of performance-related pay was conducted for this review by Dr Neil Warren of the Home Office and is reproduced in Appendix 4 of this report
- 8.1.28 The rationale behind performance-related pay is a simple one: money is offered to incentivise staff to perform better. Prentice *et al* explain how this rationale applies in the public sector in the following terms:
- “With compensation linked to performance, employees should expend more effort, lifting the quantity and/or quality of their output. Thus, by promoting better performance internally, governments can use incentives as a means of delivering superior public services”<sup>35</sup>.*
- 8.1.29 Several studies have commented on what has been said to be a lack of evidence concerning performance-related pay. The research that has been conducted has focussed predominantly on the private sector, with less work having been done on the public sector context, and very little specifically on policing<sup>36</sup>. The conclusions that can be drawn from a review of that literature cannot be definitive, but they provide an opportunity to learn from the relevant academic work in this field.
- 8.1.30 The central question is whether or not PRP is effective in incentivising staff to exhibit behaviours and deliver the results that their organisation or employer needs. There is certainly evidence that indicates PRP can have a positive effect on productivity in both private and public sector environments<sup>37</sup>. But it is mixed, and some studies reviewed indicate that results differ in different groups of employees<sup>38</sup>, and according to the nature of the work in question.
- 8.1.31 Whilst the evidence suggests that PRP schemes can, in certain circumstances, increase productivity, the evidence on the motivational effect of PRP schemes indicates that in other circumstances, particularly involving work of higher complexity and requiring the making of professional judgments, PRP schemes fail adequately to motivate people appropriately. A study that interviewed police officers about performance-related pay found that most did not see it as motivating, as most were driven by professional pride, commitment to the public interest and the satisfaction of doing a job well. Some police officers regarded PRP in the police service as likely to harm motivation and morale<sup>39</sup>. A study on the effect of a PRP in the Inland Revenue found that only 12% of staff thought that it had raised their motivation significantly<sup>40</sup>. A

<sup>35</sup> *Performance Pay in the Public Sector: A Review of the Issues and Evidence*, Prentice *et al.*, London, 2007

<sup>36</sup> Amongst others, see *Performance Related Pay Policies for Government Employees: An Overview of OECD Countries*, D. Landel and D. Marsden, Organisation for Economic Co-operation and Development (OECD), Paris, 2005, pages 73-81 and *Incentives in the Public Sector: Evidence from a Government Agency*, Burgess *et al.*, University of Bristol Centre for Market and Public Organisation, Bristol, 2004

<sup>37</sup> For the public sector, see *Performance Pay in the Public Sector: A Review of the Issues and Evidence*, Prentice *et al.*, OME, London, 2007. For the private sector, *Performance Related Pay and Firm Performance in Finland*, H Piekola, International Journal of Manpower. Volume 26, Numbers 7-8, 2005, pages 619-635; and *Individual Monetary Incentives: A Review of Different Types of Arrangements Between Performance and Pay*, Bucklin and Dickinson, Journal of Organizational Behaviour Management, 21(3), 2001, pages 45-137

<sup>38</sup> Burgess *et al* 2004. For mixed effects in different teams see *Incentives in the Public Sector: Evidence from a Government Agency*, Burgess *et al.*, CMPO Working paper 04/103, Bristol: University of Bristol Centre for Market and Public Organisation, 2004. For a complex picture of the effects of PRP see *What a Performance: Performance Related Pay in the Public Services*, D. Marsden and S. French, London School of Economics and Political Science, 1998

<sup>39</sup> *Police and Performance Related Pay: An Exploratory Study of Rewarding Individual Performance in the Police Service*, R Tonge *et al.*, Journal of Finance and Management in Public Service. Volume 8, Number 1, 2010 pages 21-33

<sup>40</sup> *Performing for Pay? The Effects of “Merit Pay” on Motivation in a Public Service*, Marsden and Richardson, British Journal of Industrial Relations, 32(2), 1994, pages 243-261

survey of NHS managers found that only a minority viewed their PRP as motivational. Clarity of objectives, adequate feedback from managers, and perceived fairness in the assessment process were considered more important factors<sup>41</sup>. Landel and Marsden's review of evidence on the motivational effect of PRP schemes reported that the effect of PRP is uncertain or inconclusive. They said that whilst a minority of staff appear to be motivated by PRP schemes, the majority are not<sup>42</sup>.

8.1.32 If performance is not improved by increased motivation, there may be other factors within PRP schemes that do so. Other positive consequences of PRP schemes that have been identified in the literature are:

- **improved goal-setting** – a consequence of the focus on the appraisal system that is typical when PRP schemes are introduced. A greater focus on objectives and clarity of job role may in itself improve performance<sup>43</sup>;
- **better alignment of individual and organisational objectives** – again, as a consequence of the strong focus on appraisal and objectives brought about by PRP schemes<sup>44</sup>;
- **strengthened appraisal systems** – regular, formalised discussions between managers and employees have been found to have positive effects on motivation<sup>45</sup>; and
- **recruitment incentives** – studies have found that performance-related pay can attract different types of people into public service, and may contribute to the retention of high quality staff, although the evidence for this is mixed<sup>46</sup>.

8.1.33 Studies have also identified a number of negative consequences from the use of PRP schemes. These include:

- **an unnatural focus on specific tasks** – employees are likely to focus their efforts on the specific tasks incentivised in the scheme. This can become a problem if employees start making decisions to prioritise work on a basis other than what would be best for the job. Two studies on PRP in policing have indicated that officers thought that it would put emphasis on measurable outcomes at the expense of the other, qualitative aspects of policing<sup>47</sup>. Experience elsewhere in the public sector suggests that even when both qualitative and quantitative measures are used, the focus in practice centres on easy-to-measure quantitative outcomes<sup>48</sup>; one officer summed it up to the review in saying, “in the police service, what gets measured, gets done, and what doesn't, doesn't”;
- **strategic behaviour ('gaming')** – employees may be tempted to manipulate PRP schemes in order to obtain the rewards offered, but do so without improving overall performance.

41 *Evaluating Performance-Related Pay for Managers in the National Health Service*, Dowling and Richardson, The International Journal of Human Resource Management, 8(3), 1997, pages 348-366

42 *Performance Related Pay Policies for Government Employees: an Overview of OECD Countries*, D. Landel and D. Marsden, Organisation for Economic Co-operation and Development (OECD), Paris, 2005, pages 73-81

43 *Evaluating Performance-Related Pay for Managers in the National Health Service*, Dowling and Richardson, The International Journal of Human Resource Management, 8(3), 1997, pages 348-366; and *What a Performance: Performance Related Pay in the Public Services*, Marsden and French, London, 1998

44 *Performance Related Pay Policies for Government Employees: An Overview of OECD Countries*, D. Landel and D. Marsden, Organisation for Economic Co-operation and Development (OECD), Paris, 2005, pages 73-81; and *Performance Pay and Teachers: Linking Individual and Organisational-Level Targets*, D. Marsden, and R. Belfield, Centre for Economic Performance discussion paper, Number 703, London School of Economics and Political Science, London, 2005

45 *Performance Related Pay in the Public Service in OECD and EU Member States*, F. Cardona, Support for Improvement in Governance and Management (SIGMA), Paris, 2007, citing Fitzpatrick 2002.

46 *Performance Related Pay Policies for Government Employees: An Overview of OECD countries*, D. Landel and D. Marsden, Organisation for Economic Co-operation and Development (OECD), Paris, 2005, pages 73-81; and Thompson 1993 for a dissenting voice on retention of high performers

47 Mavin 1996 and *Police and Performance Related Pay: An Exploratory Study of Rewarding Individual Performance in the Police Service*, R. Tonge et al., Journal of Finance and Management in Public Service, Volume 8 Number 1, pages 21-33

48 Burgess et al., 2004 and *Performance Pay in the Public Sector: A Review of the Issues and Evidence*, Prentice et al., London, 2007

In Tonge's interviews with police officers, one officer predicted that 'gaming' could take place:

*“Officers will actually wind up drunk people on a Friday and Saturday night until they swear just so they can get an easy public order arrest and detection, they will most likely get assaulted in the process, that officer will then have two detections out of a situation they created themselves ...”<sup>49</sup>.*

8.1.34 Whilst this is just the prediction of a single police officer, there is ample evidence from the available research that this kind of strategic behaviour does indeed take place<sup>50</sup> in other sectors;

- **demotivation** – Tonge and Mavin both found that performance-related pay in the police service could lead to demotivation. Prentice found that the intrinsic motivations of many workers in the public sector could be damaged if overlaid with monetary incentives<sup>51</sup>;
- **lower job satisfaction** – a 2005 study found that the job satisfaction of workers on performance-related pay is lower, on average, than those on other pay schemes, except for high paid workers who are, on average, more satisfied on performance-related pay schemes<sup>52</sup>;
- **an adverse effect on teamwork** – performance-related pay regimes, particularly those schemes based on individual performance, have been found to have an adverse effect on teamwork<sup>53</sup>;
- **lack of trust in the appraisal system** – PRP schemes enhance the importance of the annual appraisal. This can have positive effects, as described above. But it may also lead to perceptions that the appraisal system is being misused or 'corrupted' by the demands of the PRP scheme. One study of a performance-related pay scheme in the public sector found that staff thought it had undermined a well-established appraisal system, with many believing that they were less likely than previously to be given the correct grading. About a third of staff thought appraisal ratings were affected by favouritism<sup>54</sup>. Other studies have found that performance pay has contributed to distrust of both line managers and higher management<sup>55</sup>.

8.1.35 There have been few studies on performance-related pay in policing. The research that has been conducted indicates that police officers may perceive individual PRP schemes to be inappropriate, damaging, or unfair. Although police officers were found to agree with the *principle* of rewarding performance, the majority were opposed to its introduction for fear that it would not, or could not, work in policing<sup>56</sup>.

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49 *Police and Performance Related Pay: An Exploratory Study of Rewarding Individual Performance in the Police Service*, R. Tonge *et al.*, Journal of Finance and Management in Public Service, Volume 8 Number 1, 2010, pages 21-33

50 For a range of examples of 'gaming' see *Performance Pay in the Public Sector: A Review of the Issues and Evidence*, Prentice *et al.*, London, 2007

51 *Police and Performance Related Pay: An Exploratory Study of Rewarding Individual Performance in the Police Service*, R. Tonge *et al.*, Journal of Finance and Management in Public Service, Volume 8 Number 1, pages 21-33; and Mavin 1996; and *Performance Pay in the Public Sector: A Review of the Issues and Evidence*, Prentice *et al.*, London, 2007

52 *Some Are Punished and Some Are Rewarded: a Study of the Impact of Performance Pay on Job Satisfaction*, McCausland *et al.*, International Journal of Manpower, 2005, Volume 26, Numbers 7-8, 2005, pages 636-659

53 *What a Performance: Performance Related Pay in the Public Services*, D. Marsden and S. French, London School of Economics and Political Science, 1998; and *Pay and Performance: The Employee Experience*, M. Thompson, Brighton, 1993.

54 *Performing for Pay? The Effects of "Merit Pay" on Motivation in a Public Service*, Marsden and Richardson, British Journal of Industrial Relations, 32(2), 1994, pages 243-261

55 *What a Performance: Performance Related Pay in the Public Services*, D. Marsden and S. French, London School of Economics and Political Science, 1998

56 *Police and Performance Related Pay: An Exploratory Study of Rewarding Individual Performance in the Police Service*, R. Tonge *et al.*, Journal of Finance and Management in Public Service, Volume 8 Number 1 pages 21-33, and *An Appraisal Related Pay Scheme for the UK Police Service*, S. Mavin, Policing and Society: An International Journal of Research and Policy, 6(2), pages 101-111

- 8.1.36 It has also been suggested that the quality and variety of police work “is just hard to capture in quantitative performance measures”<sup>57</sup>. Further, if quantitative targets are introduced, they may have unintended consequences<sup>58</sup>. Given the powers that police officers hold, and the importance of their work, this could be a particularly significant risk. An OECD study in 2005 discusses the experience of New Zealand, where performance-related pay has been introduced in the public sector and was generally found to be effective. The one public service where it was withdrawn was the police service, which has moved back to a system which relates pay to length of service<sup>59</sup>.

*Performance-related pay in the wider public sector*

- 8.1.37 Although the studies which are directly focussed on policing are limited in number, there is a much wider pool of work on PRP in the public sector, and many of the difficulties which have arisen from PRP in the public sector in general may be relevant to policing.
- 8.1.38 Many authors have noted the difficulties with finding good measures of performance in the public sector<sup>60</sup>. It has been suggested that the lack of financial indicators in public sector targets can result in the wider use of subjective measures, which are often perceived to be unfair. The organisational culture in the public sector is often different to that found in private sector environments, and the intrinsic motivations (for example, the vocation of policing) that are more commonly (although not exclusively) found in the public sector may be damaged by the alternative rewards offered by a PRP scheme<sup>61</sup>. Due to the comparative novelty of PRP in the public sector, employees may have a smaller tolerance for wage differentiation amongst staff, and therefore greater inclinations to perceptions of unfairness in a PRP system. The lack of funding for PRP schemes in the public sector may also reduce their effectiveness<sup>62</sup>.
- 8.1.39 The available literature does not provide a template for a successful PRP scheme. Indeed, it indicates that there is no single best-practice PRP scheme, because PRP schemes need to be aligned to the specific requirements of the organisation in question<sup>63</sup>. Nevertheless, there are certain factors that must be considered in the design of any PRP scheme:
- **Proportion of salary** – the literature is not unanimous as to whether the proportion of salary offered in a PRP scheme matters. Research from Finland found that schemes that gave the smallest rewards were the least effective, with rewards of 3.6% or below proving ineffective. By contrast, other studies reported survey results that show that the size of compensation is a critical factor, and that incentive effects are decreased if rewards only constitute a small part of overall remuneration<sup>64</sup>. Additional studies indicate that the size of the reward is unimportant, although most of these are laboratory-based and should therefore be treated with a degree of caution.

57 *Performance Contracts for Police Forces*, B. Vollaard, CPB Documents 31, CPB Netherlands Bureau for Economic Policy Analysis, 2003

58 *Performance Pay in the Public Sector: A Review of the Issues and Evidence*, G Prentice *et al.*, Office of Manpower Economics, London, 2007

59 *Performance Related Pay Policies for Government Employees: An Overview of OECD Countries*, D. Landel and D. Marsden, Organisation for Economic Co-operation and Development (OECD), Paris, 2005

60 For examples, see: *The Role of Incentives in the Public Sector: Issues and Evidence*, S Burgess and M Ratto, Oxford Review of Economic Policy, 2003. Volume 19, Issue 2, pages 285 to 300; and *Management of the New Pay Systems in the Public Sector – Some Implications of Insights Gained from Experiments*, K Bregm, International Review of Administrative Services, 2008, Volume 74, No. 1, pages 79 to 93; and *Performance Pay in the Public Sector: A Review of the Issues and Evidence*, Prentice *et al.*, London, Office of Manpower Economics, 2007

61 *The Role of Incentives in the Public Sector: Issues and Evidence*, S Burgess and M Ratto, Oxford Review of Economic Policy, Volume 19, Issue 2, 2003, pages 285-300

62 *Management of the New Pay Systems in the Public Sector – Some Implications of Insights Gained from Experiments*, K. Bregm, International Review of Administrative Services, Volume 74, Number. 1, 2008, pages 79-93

63 *Aligning Rewards to Organisational Goals – A Multinational's Experience*, J. Stredwick, European Business Review, Volume 12, Issue 1, 2000

64 *Performance Related Pay and Firm Performance in Finland*, H. Piekkola, International Journal of Manpower, Volume 26, Numbers 7-8, 2005, pages 619-635. Piekkola cites Marsden and Richardson (1992) and Harris (2001)

- **Types of incentive offered** – Landel and Marsden compared the use of salary increments and single bonus payments and described them both as forms of reward<sup>65</sup>. They found that increments may offer better long-term incentives than bonuses. However, they cost more in the long term, are less flexible than bonuses and give little incentive to those at or near the top of their pay ranges. Bonuses were seen as cheaper, more flexible, and better at highlighting the performance-related element of the reward.
- **Proportion of staff eligible** – There is no evidence to suggest that a particular proportion of staff should be awarded bonuses if a scheme is to be successful. There is evidence that the use of a quota to limit the proportion of staff receiving a bonus was perceived as unfair because it was seen to have reduced the frequency of the highest annual appraisal gradings (since the bonus was only paid to those who were given the highest grading)<sup>66</sup>. Landel and Marsden found that quotas were an effective way to ensure bonuses are focused on good performance and help to maintain cost control. However, they can be perceived as unfair because they place arbitrary limits on performance gradings that take little or no account of actual performance.
- **Communication and consultation** – many papers make clear the importance of good communication with staff about the scheme, and some indicate that consulting with staff in advance gives PRP schemes a better chance of success. Mavin found that the police force she was researching had failed to communicate the objectives of the new appraisal system it had introduced, and as a result officers’ perceptions of the system in practice were harmed<sup>67</sup>. Other research found that it was important for managers to set realistic expectations for the scheme<sup>68</sup>. Landel and Marsden stress the importance of consulting with staff in the design of PRP schemes, observing that in Scandinavian countries which introduced PRP schemes gradually through collective agreements, PRP schemes were well-received.
- **Training of line managers** – the role of line managers in implementing PRP schemes is critical to their success. Thompson found that employee perceptions of PRP schemes is strongly linked to the role of their line manager in the process, and that where the line manager-employee relationship is good, employees were more likely to respond positively to PRP schemes. Thompson concludes that PRP schemes require investment in training, particularly of line managers, a point echoed by Landel and Marsden<sup>69</sup>.
- **Objective setting** – many papers cite the crucial role that goal-setting has in making PRP schemes effective. Objectives that are clear, acceptable and achievable, and agreed between line manager and employee, are considered a stronger basis for a PRP scheme than standardised performance criteria<sup>70</sup>. Landel and Marsden observe that effective objective-setting is not easy for managers, and that it is important for PRP schemes that clear organisational objectives are set, as these ‘cascade’ down into individual objectives.

65 *Performance Related Pay Policies for Government Employees: An Overview of OECD Countries*, D. Landel and D. Marsden, Organisation for Economic Co-operation and Development (OECD), Paris, 2005

66 *Performing for Pay? The Effects of ‘Merit Pay’ on Motivation in a Public Service*, D Marsden and R Richardson, British Journal of Industrial Relations, Volume 32, Issue 2, 1994, pages 243-261

67 *An Appraisal Related Pay Scheme for the UK Police Service*, S. Mavin, Policing and Society: An International Journal of Research and Policy, 6(2), 1996, pages 101-111

68 *Pay, Reference Points and Police Performance*, A. Mas, Quarterly Journal of Economics, Volume 121, Issue 3, 2006, pages 783-821, and *Management of the New Pay Systems in the Public Sector – Some Implications of Insights Gained from Experiments*, K. Bregm, International Review of Administrative Services, Volume 74, Number 1, 2008, pages 79-93

69 *Pay and Performance: The Employee Experience*, M. Thompson, Institute of Manpower Studies, Brighton, 1993

70 *The Paradox of Performance Related Pay Systems: “Why Do We Keep Adopting Them in the Face of Evidence That They Fail to Motivate”*, Centre for Economic Performance discussion paper No 946, D. Marsden, London School of Economics and Political Science, London, 2009, and *Performing for Pay? The Effects of ‘Merit Pay’ on Motivation in a Public Service*, D. Marsden and R. Richardson, British Journal of Industrial Relations, Volume 32, Issue 2, 1994, pages 243-261

*Team performance-related pay*

- 8.1.40 PRP schemes commonly reward individuals, either through incremental pay increases or single bonus payments. An alternative approach is to reward whole teams. The existing evidence base does not provide a clear cut answer as to whether team- or individual bonus systems are preferable, as each has advantages and disadvantages.
- 8.1.41 A comparison between individual and team-based schemes in the NHS found that individual bonuses were believed by managers to have a greater effect on work quality and quantity than team-based rewards did<sup>71</sup>. The individual scheme also appeared to produce greater improvements in staff motivation. A further study comparing individual- and team-based schemes found the individual scheme to be more cost effective. Finally, individual schemes do not carry the risk of ‘free rider’ effects inherent in team-based schemes. This is where individuals do not make a full contribution in the knowledge that they will benefit from the efforts of their colleagues<sup>72</sup>.
- 8.1.42 Team-based schemes are often seen as more effective in environments where team work is important<sup>73</sup>. In some cases, due to the nature of the work, they may be the only appropriate scheme as team-based measures are the only ones available<sup>74</sup>. There is evidence that team-based schemes are less damaging to team work, less damaging to morale, and less likely to lead to jealousies and suspicion of management than individual schemes<sup>75</sup>. There are also studies that suggest that the risk of free-rider effects is mitigated by basing the scheme on small teams, where peer monitoring is greater<sup>76</sup>.
- 8.1.43 These findings suggest that team- or individual bonuses both have their advantages, and the choice of one system over the other should be driven by the working environment in which the scheme is to operate.

*Hutton review of fair pay*

- 8.1.44 There have been some important recent contributions to the debate about performance-related pay. Mr Will Hutton, in his *Hutton Review of Fair Pay in the Public Sector: Final Report*, argues the case for the greater use of performance-related pay in the public sector. Two countervailing voices in this debate are those of Professor Lord Layard of Highgate and Mr Daniel Pink, both of whom are critical of performance-related pay systems.
- 8.1.45 Hutton argues that performance-related pay for senior staff in the public sector should be maintained “[d]espite well-rehearsed objections ... [and the] difficulties of implementation”. To remove performance-related pay would be to imply “that there should be no financial reward to differentiate the good from the poor performer”<sup>77</sup>. Hutton recommends a performance pay system for senior staff in the public sector that includes an element of ‘earn back’ or ‘at risk’ pay. In this model, an element of basic pay is lost if agreed objectives are not met. Additional bonuses could be earned, on top of basic pay, for exceptional performance. He argues that such a measure may have a stronger impact on motivation than traditional performance pay because penalties have a more powerful incentive effect than do rewards.

71 *What a Performance: Performance Related Pay in the Public Services*, D. Marsden and S. French, London School of Economics and Political Science, 1998

72 *The Role of Incentives in the Public Sector: Issues and Evidence*, S. Burgess and M. Ratto, Oxford Review of Economic Policy, Volume 19, Issue 2, 2003, pages 285-300; and *Performance Pay in the Public Sector: a Review of the Issues and Evidence*, Prentice et al., London, 2007

73 *The Role of Incentives in the Public Sector: Issues and Evidence*, S. Burgess and M. Ratto, Oxford Review of Economic Policy, Volume 19, Issue 2, 2003, pages 285-300

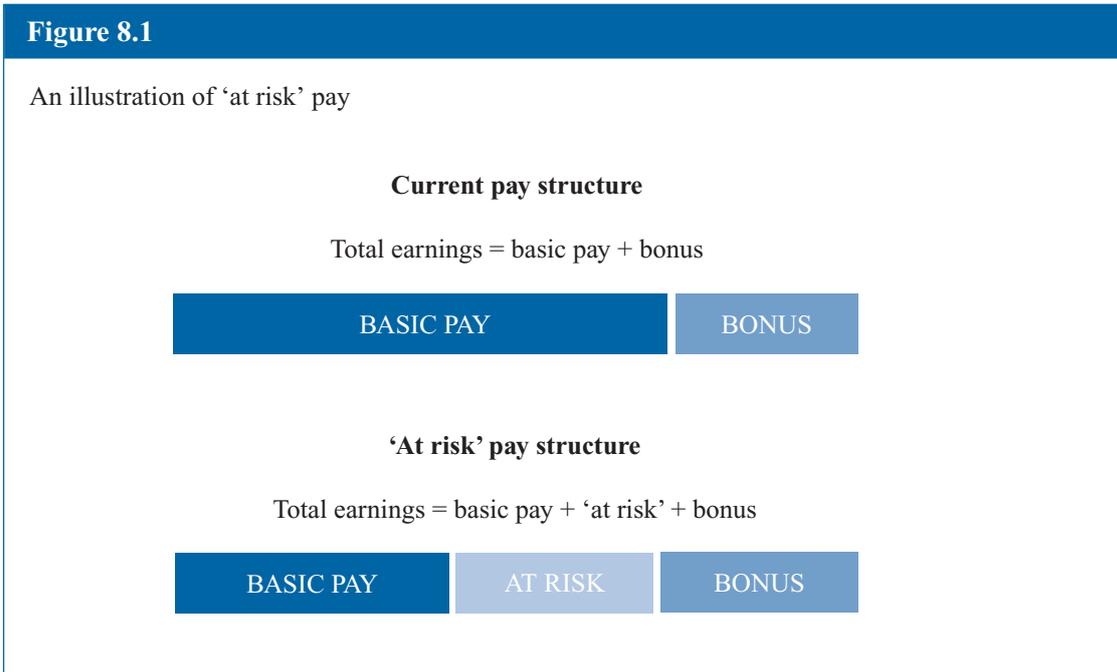
74 *Performance Pay in the Public Sector: a Review of the Issues and Evidence*, Prentice et al., London, 2007

75 *What a Performance: Performance Related Pay in the Public Services*, D. Marsden and S. French, London School of Economics and Political Science, 1998; and *Team Based Reward Allocation Structures and the Helping Behaviours of Outcome-Interdependent Team Members*, Bamberger and Levi, Journal of Managerial Psychology, Volume 24, Number 4, 2008, pages 300-327

76 *The Role of Incentives in the Public Sector: Issues and Evidence*, S. Burgess and M. Ratto, Oxford Review of Economic Policy, Volume 19, Issue 2, 2003, pages 285-300; and Kandal and Lazear, 1992 (cited by Tonge 2009)

77 *Hutton Review of Fair Pay in the Public Sector: Final Report*, HM Treasury, London, 2011, page 41

It would also have the benefit of placing greater emphasis on setting objectives for senior managers, and send a signal to the public that there are appreciable adverse consequences for substandard performance in the public sector. The figure below illustrates how ‘at risk’ pay would work.



- 8.1.46 Hutton also recommends the use of team-based incentives through ‘gainsharing’ whereby a portion of the savings made from productivity gains are used to reward those staff who achieved the improvements<sup>78</sup>.
- 8.1.47 Lord Layard has critiqued Hutton’s recommendations on performance-related pay on the grounds that for jobs requiring teamwork, such as in government departments and large businesses, there is little evidence that individual-based incentive schemes work. He points to the demoralising effect of failing to receive a bonus. Further, the principal motivations for doing something – such as a desire to be respected and pride in the job – may be compromised by the introduction of a monetary element, as there is evidence that receiving payment for something can, in itself, demotivate.
- 8.1.48 Lord Layard argues that team-based incentives, or indeed the removal of financial incentives beyond basic pay, are likely to work better. He argues that “[t]he way to encourage strong performance in public and private sectors alike is to motivate and appraise people properly, without creating sheep and goats”<sup>79</sup>. Lord Layard recognises that PRP can work in certain circumstances – those where “there is an unambiguous measure of performance”. The problem is that these circumstances are rare, and that usually PRP involves the ranking of colleagues against each other, with only those at the top of the ranking receiving rewards. He says this damages relationships between colleagues, only delivers small pay rewards, and is of doubtful value for the organisation, as introducing financial incentives hurts intrinsic motivation<sup>80</sup>.
- 8.1.49 Mr Daniel Pink argues that pay incentives can work, but only in a relatively narrow range of fields that require mechanical rather than creative approaches<sup>81</sup>. He cites research which says that whilst pay incentives increase productivity in mechanical tasks, they harm creativity. For creative tasks, intrinsic motivators are much more powerful than extrinsic ones (such as pay incentives). Employers, he argues, should focus on encouraging the intrinsic motivators rather than introducing extrinsic ones.

<sup>78</sup> *ibid.* page 54

<sup>79</sup> *The Case Against Performance-Related Pay*, R. Layard, The Financial Times, London, 17 April 2011

<sup>80</sup> *Happiness and Public Policy: A Challenge to the Profession*, R. Layard, The Economic Journal, 2006

<sup>81</sup> *Drive: The Surprising Truth About What Motivates Us*, D. H. Pink, London, 2011

*Comparators*

- 8.1.50 Performance- or contribution-related pay is widely used across both the public and private sectors. Although the details of schemes differ, they generally fit into one of three categories:
- performance-related incremental pay progression;
  - performance-related individual bonuses; and
  - performance-related team bonuses
- 8.1.51 Rather than describing in detail the schemes used in various comparable organisations in the public and private sectors, it is worthwhile to note the ways in which police officers are unusual. Performance-related pay progression is now common throughout the public sector and is widely used for police staff. Police officers are an outlier in not having this provision, except in the superintending ranks and at Assistant Chief Constable rank.

**Consultation***Response by the Association of Chief Police Officers*

- 8.1.52 ACPO says that it embraces the principle that I articulated in Part 1, that people should be paid for what they do, the skills they have and are applying in their work, and the weights of the jobs they do. ACPO also says that it is opposed to pay progression solely on the basis of time served in the rank, believing it to be both unfair and inefficient. ACPO is, however, strongly opposed to performance-related pay. Instead, ACPO advocates a pay system whereby people are rewarded for their “level of skill, contribution and professional development”<sup>82</sup>.
- 8.1.53 ACPO’s opposition to the concept of performance-related pay is based on four main considerations, namely:
- the practical difficulties in identifying robust performance criteria;
  - the risk that any such criteria will create perverse incentives;
  - that performance-related pay will create divisions between officers and act as a demotivating factor; and
  - that performance-related pay will damage the public perception of police officers, as their motives for decision-making will be open to question.
- 8.1.54 ACPO is also opposed to the idea of ‘at risk’ pay. ACPO argues that the proportion of pay required to be put ‘at risk’ in order to make the scheme effective would be unacceptable to the public.

*Response by the Association of Police Authorities*

- 8.1.55 The APA argues for the cessation of time-served pay progression. It also argues against pay progression for what it describes as ‘mere competence’. Instead, the APA advocates a system whereby officers are rewarded for improving their skills and on the basis of their contribution.
- 8.1.56 The APA says that ‘at risk’ pay “represents a punitive form of employee management” which should not be adopted<sup>83</sup>. Poor performance should be dealt with by managers using the unsatisfactory performance procedures rather than through the pay system.

*Responses by police forces and authorities*

- 8.1.57 The joint submission by West Midlands Police and West Midlands Police Authority states that the benefits of performance-related pay are unlikely to outweigh the costs. They argue that a better approach would be to ensure that appropriate measures are in place to allow managers to deal with poor performance, assume that the majority of officers are competent, and reward outstanding performance with a single non-consolidated bonus that, unlike pay progression,

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82 ACPO submission, page 24

83 APA submission, page 28

would not have continuing costs for the force. They stress the importance of minimising bureaucracy in the pay system.

- 8.1.58 West Midlands Police and West Midlands Police Authority do not support ‘at risk’ pay. They say that this approach would be inconsistent with the principle of ‘assumed competence’, and that normal employment conditions contain measures for dealing with a lack of competence. Further, they argue that since experience shows that chief officers do not support performance-related pay, it would not have a motivational effect on the ACPO ranks.
- 8.1.59 The Metropolitan Police Service proposes replacing the current arrangements with a system under which pay and career progression are related to the acquisition and deployment of accredited skills, knowledge and experience, supported by continuous professional development.
- 8.1.60 The Metropolitan Police Service remarks upon the difficulty of finding objective measures for individual, team and force performance that do not unduly rely on quantitative data. It says that this would be particularly problematic for the more junior ranks. It suggests that if a credible model were adopted, then contribution, continued professional development, fitness (measured through attendance) and team performance could be used as appropriate measures.
- 8.1.61 Nottinghamshire Police advocates local flexibility when decisions are taken on bonus payments and performance-related pay. It says that there is a ‘general consensus’ that contribution-related pay is a fair approach. The reason for its resistance to performance-related pay is lack of trust in the current PDR system and the related fear that managers will not assess performance fairly. Nottinghamshire Police also warns that performance-related pay can create the wrong incentives, and damage team work.

#### *Response by the Police Federation of England and Wales*

- 8.1.62 The Police Federation says that it supports “an approach to pay progression which is based upon a combination of service and competence”<sup>84</sup>. Pay progression within each rank should be contingent upon satisfactory performance as evidenced in an annual review. The Police Federation says that the annual review should be robust, transparent and fair, and perceived to be so by officers. If such an annual appraisal system is not in place, it argues that pay progression should be automatic, as it is now.
- 8.1.63 The Police Federation voices concerns about the use of performance-related pay in the police service. It says there may be unintended consequences of such a regime. It warns that performance measures could create perverse incentives which would damage team work and service delivery; performance measures may incentivise short-term, visible outcomes over longer-term ones; some roles may allow a clearer indication of performance than others, resulting in those roles attracting higher levels of reward. It also states its concerns over consistency, saying that performance must be assessed to a consistent standard across all forces.
- 8.1.64 The Police Federation stresses the importance of ‘equality proofing’ any performance-related pay scheme, with transparent criteria and monitoring of outcomes to ensure that it was not discriminatory.
- 8.1.65 The Police Federation is not in favour of ‘at risk’ pay. It says that poor performance should be dealt with through the unsatisfactory performance procedures rather than through a reduction in basic pay.

#### *Response by the Police Superintendents’ Association of England and Wales*

- 8.1.66 The Police Superintendents’ Association supports the notion of a pay system which rewards experience gained in the rank and performance or contribution. It says that officers should only be rewarded with pay progression where their performance has been and remains satisfactory. Additional reward should be made available to those whose performance merits it.

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<sup>84</sup> Police Federation submission, page 36

- 8.1.67 The Association warns against models of performance-related pay that reward individuals against very narrow criteria and which result in bonuses for those working in organisations perceived by the public to be failing. It says that performance measures should be based on inputs, not outputs; output measures tend to be too reliant on quantitative data, which in turn distort policing priorities. This would be damaging to the public's trust in the police service. It also says that there should be independent monitoring of any performance-related pay system to ensure that it operates both fairly and consistently.
- 8.1.68 The Association suggests that the arrangements currently used for the superintending ranks, where performance-related progression and bonuses are available, could be a suitable model for performance-related pay in other ranks. It supports the idea of the assumption of competence at all ranks. However, it remarks upon the risk that performance-related pay systems would add to police bureaucracy, advising that great care should be taken to ensure that the benefits of any such scheme are not outweighed by the bureaucratic and opportunity costs it would entail.
- 8.1.69 Although it is in favour of the retention of performance-related pay progression, the Association does not support 'at risk' pay. It says that the unsatisfactory performance procedures should be used if an individual's performance is unsatisfactory.

#### *Response by UNISON*

- 8.1.70 UNISON is "totally opposed to the concept or practice of performance related pay"<sup>85</sup>, for a broad range of reasons. It argues that performance-related pay is antithetical to the vocation of policing, and would be difficult to reconcile with the ethos of teamwork in policing. Further, there is no credible PDR process upon which to found a performance-related pay scheme, and no source of funding for an appropriate scheme. UNISON also cites public hostility to paying police staff or officers a bonus for simply doing their jobs. UNISON argues that there is no credible evidence to show that performance-related pay motivates staff. Instead, staff who do not receive bonuses are demotivated, particularly when decisions are based on the subjective judgment of line managers.
- 8.1.71 UNISON argues that because of the subjective element of line manager judgment, performance-related pay schemes are open to bias and inconsistency. It also cites evidence to show that women are often discriminated against by performance-related pay schemes.
- 8.1.72 UNISON supports a model of pay progression that would link advancement up the payscale to demonstration of the knowledge and skill required for the post, along similar lines to the model currently used in the NHS Agenda for Change pay system.

#### *Responses by other trade unions*

- 8.1.73 Prospect opposes performance-related pay on the grounds that most staff work as part of a team, and it is "unfair and divisive" to reward some individuals more than others<sup>86</sup>. Unite opposes performance-related pay on similar grounds, objecting to the greater reward of some individuals at the expense of their colleagues. Unite claims that this is demotivating and undermines teamwork.

#### *Additional consultation responses*

- 8.1.74 Reform argues that any comprehensive reform of the police service must entail a new employment culture. Reform advocates performance-related pay on the grounds that it rewards employees for the quality and efficiency of their work, not the duration of their service. Performance-related pay, says Reform, not only drives improved productivity, it can also help recruit and retain effective staff.

<sup>85</sup> UNISON submission, page 4

<sup>86</sup> *Submission from Prospect*, September 2011, page 3

- 8.1.75 Reform says that the definition of ‘performance’ against which officers are assessed should be left to the judgment of senior officers within each force. Reform cites evidence that shows that “when organisations determine their own criteria for good performance these are more likely to reflect the specific needs of that organisation, more likely to be viewed positively by staff and more likely to be rigorously assessed and used to hold staff to account”<sup>87</sup>.
- 8.1.76 The Confederation of British Industry (CBI) argues for a new pay system in the police service that rewards skills, contribution, and experience rather than merely duration of service. Doing so would incentivise officers to improve their performance and skills. The CBI recognises that crude quantitative measures of output, such as the number of arrests an officer makes, will do little to improve performance. Instead, the CBI says, performance measures should be determined in advance, clearly explained to officers, and used to incentivise and measure long-term progress.
- 8.1.77 The Local Government Group (LGG) says that progression up pay scales should not be automatic. Further, managers should have the discretion to hold back pay progression of unsatisfactory performers, and accelerate it for the best performers. LGG suggests that if it is not possible to develop a robust set of national criteria to link pay progression to performance, it should be left to local managers to determine their own criteria.

### *Seminars*

- 8.1.78 In the seminar on performance-related pay held on 27 July 2011, Mr Tom Gash of the Institute of Government said that the police service pay system was “out of kilter” with the pay systems elsewhere in the public service. Many other public sectors have reformed their pay systems to remove long pay spines and automatic pay progression.
- 8.1.79 Mr Richard Rooney of the Public and Commercial Services union said that consideration should be given to other, non-monetary, rewards to recognise outstanding performance in policing.
- 8.1.80 Chief Constable Whatton of Cheshire Constabulary stressed the risks that quantitative performance measures could have on the performance of constables. He said he would have appreciable anxieties if financial considerations entered an officer’s decision-making processes when confronted with an incident. By way of example, he said that if an officer’s performance was measured in terms of the number of detections he made, he would be incentivised to allow theft from shops to continue, as each occasion could lead to a detection which might count towards his performance statistics. It should be remembered that the primary purpose of the police is the prevention of crime.
- 8.1.81 Mr Peter Smith of the Hay Group argued that performance-related pay as operated in the private sector would not be suitable for the police service. Instead, the pay regime should be concerned with “squeezing out poor performance and making sure that you recognise and reward the core capabilities to deliver that people have”. Mr Smith said that relating contribution to pay would be extremely difficult to operate in practice, but the alternative – paying everybody the same irrespective of their contributions – is a “bizarre use of public money”.

### *Website*

- 8.1.82 A variety of opinions were given on the review’s website in relation to pay according to performance and attendance. Many respondents said that they do not think the right performance criteria can be devised for the police service. One respondent said: “I have yet to see a performance framework that effectively captures the wide range of tasks that officers are asked to perform, and I have seen lots of attempts. They inevitably capture things that are simple to quantify (arrests, detections, intelligence logs submitted)”. Others thought that performance-related pay could create perverse incentives: “[p]erformance should be reflected in pay but it needs to be measured fairly and not via a statistics-based model which could, for example, encourage an officer to make an arrest to boost his rating”.

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<sup>87</sup> *Submission from Reform*, September 2011, page 59

- 8.1.83 However, many others expressed the view that it is unfair for everyone to be paid the same. One respondent said that “[p]erformance would be a fair way of assessing any warranted increase in pay, rather than the current increment system where even the worst, laziest officers can do just enough to keep themselves out of trouble and end up ear[n]ing £35,000 plus just by turning up year after year”.
- 8.1.84 Some respondents see better management as the solution to dealing with poor performance and excessive absence. One respondent argued that “supervisory officers should actually start supervising again, to ensure that all officers perform to the best of their ability, and any censure be evidence-based”, whilst another said that “under-performance should be tackled more robustly as should [o]fficers with poor sickness records”.

### Conclusion

- 8.1.85 There is clearly a great deal of opposition to performance-related pay in the police service. There is widespread concern that crude performance measures will be inappropriate, creating perverse incentives and promoting the pursuit of short-term, simple, quantitative targets. There is a lack of trust in the ability of the police service to operate a robust performance appraisal system on which to base decisions about individual officers’ performance. Many consultation respondents have expressed a fear that performance-related pay will create division amongst officers and demotivate those who do not benefit from it.
- 8.1.86 There are three important questions that must be answered in respect of contribution-related pay in the police service. First, should everyone in the police service be paid the same regardless of their contribution? Secondly, should pay progression continue to be automatic? If, as we should, we answer both questions in the negative, the third question arises: can individuals be rewarded for the contribution they make without damaging the team ethos, intrinsic motivations and responsible exercise of discretion that are essential in effective policing?
- 8.1.87 I stated in Part 1 that people should be paid for how well they work; that pay progression purely on the basis of length of service is unfair; and that high performers should be paid more than those who perform adequately, and higher again than those who perform poorly. I welcome the broad support for stopping automatic pay progression in the police service. However, I also recognise the concerns that many have about the implementation of a pay scheme that differentiates between individuals on the basis of individual contribution.
- 8.1.88 That which works well in the private sector and elsewhere in the public sector may not work as well in policing. The academic literature on performance-related pay indicates that success or failure of a performance-related pay regime is very greatly dependent on the nature of the work in question and the ethos of the organisation or endeavour concerned. The police service is highly commendable for the strength of its teamwork ethic, particularly in the more junior ranks. It is perhaps unique in delegating to its most junior workers the greatest amount of power and authority of the organisation, namely the power to deprive citizens of their liberty, and to subject them to search. Policing also has a very strong vocational element; the intensity and force of the determination of police officers to serve the public is very great indeed. Financial reward matters, as it does to any worker, but in a very large proportion of police officers and police staff it is a secondary consideration. For these reasons, great care must be taken in translating what works well elsewhere into the policing environment.
- 8.1.89 The evidence on the effectiveness of performance-related pay schemes is wide and it is mixed. As I discussed in the literature review in the analysis section above, PRP can have a positive effect on productivity. PRP schemes have been found to improve both goal-setting and the alignment of individual and organisational objectives. It can also strengthen the appraisal system as it encourages managers to have regular formalised discussions about performance with their staff.
- 8.1.90 The literature review also discusses the risks of PRP schemes. I am particularly concerned by the evidence that shows that PRP schemes can have a damaging effect on teamwork;

undermine trust in the appraisal system; demotivate staff; and lead to both an unnatural focus on specific tasks and ‘gaming’ the system. In other, mature and well-managed enterprises, these difficulties are properly minimised or perhaps even eliminated. Policing is complex and different.

- 8.1.91 Perhaps the most important lesson to be drawn from the literature review is that there is no single best-practice approach to PRP that can be applied everywhere. Instead, the success of systems relies on the match of the scheme to the environment in which it is operated. If some form of performance- or contribution-related pay is to be used in policing, it must go with the grain of the police service. A PRP scheme that discouraged teamwork, distorted the proper exercise of discretion, and interfered with the vocation of policing would be highly damaging to the public interest.
- 8.1.92 The literature review shows that relating pay progression increments to performance acts as a better long-term incentive than single bonuses. Officers and staff should be incentivised to make lasting improvements to their skills, knowledge and performance. Managers must be encouraged to tackle poor performance properly. Most importantly, there should be an end to the culture of entitlement where pay increments are seen as an automatic right, gained simply by serving for another year. All pay increases should be earned, and that is true for pay increments within a rank or grade just as much as for pay rises attained as a result of promotion.
- 8.1.93 For these reasons, I recommend that pay progression solely on the basis of duration of service should be abolished. Progression up a pay scale should be attained on the basis of having made at least a satisfactory contribution in the preceding year. An officer or staff member who is assessed by his manager as not having made a satisfactory contribution should receive no pay increase. An individual’s contribution should be measured in relation to:
- performance against objectives established in advance and clearly explained;
  - what the officer or staff member has done to achieve those objectives;
  - professional development (including acquisition and use of relevant skills);
  - fitness (where appropriate); and
  - attendance.
- 8.1.94 I do not support the use of individual single performance bonus payments as part of a PRP scheme in the police service. If bonuses are to be of a value sufficient to achieve an improvement in motivation, then they must, for affordability reasons, be given only to the highest performers. Finding robust performance measures that separate the highest performers from the good performers and the competent performers would be extremely difficult in the police service, particularly at the more junior ranks. Individual bonuses are inimical to the teamwork that is necessary for effective policing. They would introduce an unacceptable risk of perverse incentives and ‘gaming’ driven by quantitative and short-term targets. There is a real risk that such targets would interfere with the responsible exercise of discretion by constables.
- 8.1.95 Policing is a particularly complex occupation which involves a very wide variety of professional disciplines and activities. Crude performance measures of outputs such as numbers of arrests and cautions may not only distort the proper exercise of discretion, but they would fail properly to measure the work of officers and staff involved in highly complex and safety-critical tasks, for which it would be almost impossible to devise easily measurable achievements. For example, detectives involved in disrupting organised criminal networks may spend months meticulously gathering evidence, leading to the arrest of a small number of highly dangerous men. Five arrests of this kind at the end of a year’s work may be worth far more to the public than 50 or 100 arrests for drunkenness. Measuring the achievement of a police officer or staff member who counsels and supports victims of violence and works to gain their trust and facilitate a successful prosecution, would be very difficult. In such cases, the assessment of inputs and teamwork would be very significantly more important. There is a further discussion of the use of qualitative evidence in the PDR process in Chapter 8.2.

- 8.1.96 Good performers who failed to achieve a bonus may be demotivated if they saw colleagues whom they considered to be operating the system unfairly to their private advantage receiving a bonus. As Professor Lord Layard argues, introducing extrinsic motivations, such as bonuses, may interfere with the intrinsic motivations to do the job well. In the police service, where many officers and staff are strongly motivated by their desire to serve the public, this is a particularly significant risk. Individual bonuses in PRP schemes undoubtedly work in some environments. For the reasons I have given here, there is no place for them in policing.
- 8.1.97 For the same reasons, double increments for the highest performers are not appropriate. Contribution-related pay progression should be focussed, as Mr Peter Smith of Hay Group puts it, on eliminating poor performance, rather than on identifying and rewarding the top performers ahead of the competent.
- 8.1.98 The police service can derive appreciable advantages from the use of team bonuses. They were recommended in Part 1 and the Home Secretary has accepted that recommendation. They incentivise team work, and allow high performance to be properly rewarded. The evidence in the literature review indicates that they are less damaging to morale, and less likely to lead to jealousies and suspicion of management, than individual bonuses. They should be a standard part of the reward structure in the police service for both officers and staff. They would also facilitate the attainment of the objective of a single police service where possible, as officers and staff in the same team would be rewarded as equals and members of a single team.
- 8.1.99 I support the continued use of small bonus payments at the Chief Constable's discretion to reward pieces of work of an outstandingly demanding, unpleasant or important nature. These would not be part of a contribution-related pay scheme. Payments of this nature and level usefully allow for the recognition of important work, but are not granted on the basis of an assessment of an individual's performance against objectives. For this reason, they do not carry the same risks as individual performance-related bonuses awarded as part of a PRP scheme.
- 8.1.100 I agree with Mr Richard Rooney of the Public and Commercial Services Union that there should be non-monetary reward for outstanding performance in policing. I recommended the introduction of a new range of medals and awards in Part 1. It is disappointing that there has been so little progress in that respect since Part 1 was published. I continue to believe that a new range of awards of that nature will play an important part in incentivising high performance. As Professor Lord Layard argues, the main motivations for most people are a desire to be respected and pride in their job. Awards and medals are a means of recognising and encouraging those intrinsic motivations, and I suggest there should be more of them.
- 8.1.101 In the light of further evidence and consideration, and with the advantage of the submissions made in Part 2, I recommend that 'at risk' pay should not be introduced in the police service. I agree with those consultation respondents who argued that poor performance should be dealt with through the unsatisfactory performance procedures rather than a reduction in pay. Unsatisfactory performance procedures do not exist for chief officer ranks, but police and crime commissioners and Chief Constables should be quite capable of managing poor performance without regulations fettering their approach to this issue. The special case of unsatisfactory performance in the case of a Chief Constable is discussed in Chapter 8.5.
- 8.1.102 'At risk' pay would not be administratively efficient. It would be very difficult to take money back once it had been paid in salary. If there were not to be clawback mechanisms, it would be necessary for a portion of the individual's salary to be held back until his performance had been assessed in his end of year review. Then, assuming his performance was satisfactory, he would receive that part of his annual pay. To all intents and purposes, that is a performance bonus coupled with a pay cut. I have explained above why performance bonuses are unnecessary and undesirable in the police service. These reasons apply with equal weight to 'at risk' pay, because it is, in effect, a form of performance bonus.

## 8.2 Appraising performance

### Background

#### *History*

- 8.2.1 Appraising officer performance for the purpose of performance-related pay dates back at least as far as 1919. Desborough recommended that accelerated progression through the pay increments, and additional long-service pay increments, should be available to constables who met certain conditions based on good conduct and efficiency<sup>88</sup>. Before Desborough ‘merit badges’ had been awarded to officers for good conduct, and these carried additional pay. The history of performance-related pay is covered in more detail earlier in this Chapter.
- 8.2.2 Although it is not clear what form officer appraisals took in the 19<sup>th</sup> and early 20<sup>th</sup> centuries, it is clear that the system did not work as first intended. In the 1933 Higgins report, it was remarked that the increments were “granted too automatically and withdrawn too sparingly”<sup>89</sup>. In 1949, Oaksey found that the assessment of good conduct and efficiency required for the accelerated increments and long-service increments was “impossible to apply in practice”<sup>90</sup>. The pay structure was supposed to reward the best officers. Instead, Oaksey found that “[b]ecause of the difficulty in deciding what constitutes ‘special zeal, intelligence and proficiency’, special increments have in most forces been awarded automatically to all men”<sup>91</sup>. Whatever forms of appraisal were in use, they appear to have failed to identify and distinguish the officers who in reality met Desborough’s criteria.

#### *Recent Developments*

- 8.2.3 Following a long period in which police officers were not subject to any appraisal-based pay schemes, Competence Related Threshold Payments (CRTPs) were introduced following the 2002 agreement on officer pay and conditions. CRTPs were an additional payment for those officers in the Federated ranks who had reached the top of their pay scale. They were only to be awarded to officers able to demonstrate high professional competence against four national standards:
- Professional competence and results
    - Effective organisation of work to meet the demands of your role
    - Commitment to Police Service values
    - Commitment to health and safety requirements
    - Compliance with the Code of Conduct
  - Commitment to the job
    - Commitment to achieving force objectives
    - Commitment to personal and professional development
    - Commitment to achieving high levels of attendance
  - Relations with the public and colleagues
    - Promoting equality, diversity and human rights in working practices
    - Contributing to the force’s response, recognising the needs of all relevant communities
    - Working as part of a team
  - Willingness to learn and adjust to new circumstances
    - Making best use of available technology

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88 Desborough report, paragraphs 39-40

89 *Police Pay (New Entrants) Committee Report*, Cmd. 4274, 1933, paragraph 30

90 Oaksey report, paragraph 43

91 *ibid.* paragraph 42

- Demonstrating an openness to change<sup>92</sup>.

- 8.2.4 Payment of the CRTP was, therefore, dependent upon an appraisal of the individual's performance. Appraisal was conducted on the basis of an application form completed by the officer requesting the CRTP.
- 8.2.5 From the outset, it was assumed that a high proportion of officers would meet the criteria. The PNB circular announcing the introduction of the CRTP estimated that "at least 75% of those eligible will be successful in accessing the threshold payment"<sup>93</sup>.
- 8.2.6 In practice, virtually everyone who applied for a CRTP received one, and it became little more than an additional increment on the constable pay scale. Given that 99% of those who applied for it were successful there was little meaningful performance appraisal being conducted. For this reason, and because the money used on CRTPs could be better spent elsewhere, in Part 1 I recommended that they should be abolished.

### *Chief Officer PDRs*

- 8.2.7 A new scheme for chief officers' PDRs came into effect at the beginning of the 2003 financial year<sup>94</sup>. It was a national scheme that applied to all 43 forces in England and Wales. It covered the ranks of Assistant Chief Constable, Deputy Chief Constable, and Chief Constable, and their equivalents in the Metropolitan and City of London forces. The purpose of chief officers' PDRs was the same as that of PDRs for the other ranks – to develop the individual, and review his performance.
- 8.2.8 Until the 2010/11 financial year, Her Majesty's Inspectorate of Constabulary was responsible for conducting Chief Constables' PDRs. In 2010/11, police authorities became responsible for conducting the PDR of the Chief Constable. Chief Constables were responsible for conducting the PDRs for Deputy and Assistant Chief Constables in their forces from 2003 onwards, and no changes were made in 2010/11 in this respect.
- 8.2.9 The PDR process for Chief Constables started with a discussion between the Chief Constable and the police authority representative to agree what the Chief Constable's role would be in achieving the objectives of the local policing plan. The Chief Constable was then responsible for drafting a set of objectives, and a personal development plan, on the basis of that discussion. The objectives had to reflect the local policing plan and national and local priorities. The draft was then discussed, amended if appropriate, and approved by the police authority representative.
- 8.2.10 The scheme included at least one review during the year in question. At the end of the financial year, the police authority would review the success of the force in achieving its objectives in the local policing plan. The police authority representative would discuss with the Chief Constable his personal contribution in this respect. The Chief Constable then drafted a self-assessment of his performance against his objectives and personal development plan. This self-assessment was then discussed with the police authority representative, who would comment both orally and in writing, taking into account the views of the relevant Inspector of Constabulary, on the Chief Constable's performance. The PDR form itself was to be completed by both the Chief Constable and the police authority representative.
- 8.2.11 The process for an Assistant and Deputy Chief Constable under the scheme was similar to that used for Chief Constables.

### *The 2003 Police Performance and Development Review (PDR) system*

- 8.2.12 In 2003, a mandatory police officer PDR system was introduced by the Home Office for all ranks except the ACPO ranks<sup>95</sup>. It was intended to fulfil the commitment made in the 2002

<sup>92</sup> *Competence Related Threshold Payments Handbook*, Police Negotiating Board, 2002, Annex 4

<sup>93</sup> *PNB Circular 02/9*, Annex A, paragraph 2.1

<sup>94</sup> *Home Office Circular 27/2003*

<sup>95</sup> *Home Office Circular 14/2003*

Home Office white paper *Policing a New Century* that all officers (and staff) were entitled to an annual performance and development review<sup>96</sup>.

- 8.2.13 The Home Office circular mandating the PDR noted: “[i]t is important that the thrust of PDR in the police service is not just a review of past performance: a Personal Training and Development Plan which looks to the future is a key element of PDR”<sup>97</sup>. The new PDR was based on the ‘integrated competency framework’ that had been introduced for the police service in 2001.<sup>98</sup>
- 8.2.14 The Home Office circular introducing the new PDR set down certain mandatory elements of the process, namely:
- the PDR must be based on the national competency framework;
  - assessment must be made against activities and behaviours;
  - the PDR must use a three-score rating: exceptional, competent, not yet competent;
  - the PDR must include a development plan as an integral component; and
  - the PDR process should be on an annual cycle.
- 8.2.15 A template PDR document was also recommended for use by forces. It could be customised provided all the headings remained<sup>99</sup>. The recommended template contained 11 separate sections. The PDR was relatively complex, with a large number of objectives for each role. For example, the patrol officer PDR contained 24 distinct activities against which an officer’s performance was to be assessed.

#### *Criticisms of the 2003 PDR system*

- 8.2.16 The Police Federation *Annual Report 2007* was highly critical of the PDR system introduced in 2003, describing it as “too complex, bureaucratic and remote from HR and IT processes to hold any real intrinsic value”. Further, it claimed that “[f]ront line officers lack confidence in the PDR process, and it is seen by many as nothing more than an annual process that achieves very little”<sup>100</sup>.
- 8.2.17 In 2007, Her Majesty’s Chief Inspector of Constabulary, Sir Ronnie Flanagan, found that “the way the ICF [integrated competency framework] has been implemented is too bureaucratic and requires too technical an understanding of HR principles and concepts”. He recommended that the integrated competency framework be reviewed to ensure that it was “a useful and accessible tool for police managers and staff”<sup>101</sup>.
- 8.2.18 The 2008 HMIC report *Leading from the Frontline* was also critical. It found that PDRs were insufficiently focussed on developing staff and that the PDR process was:

*“... stifled by bureaucracy, lack of clarity of role definition, and by the complexity of the Integrated Competency Framework (ICF). All of this is compounded by the apparent lack of understanding of how to apply the process and relevant training”<sup>102</sup>.*

#### *The new NPIA PDR*

- 8.2.19 In 2009, the Home Office asked the National Policing Improvement Agency (NPIA) to produce a new competency framework and accompanying PDR for the police service to replace the ICF and the 2003 model PDR. The aim was to establish a less bureaucratic PDR with a stronger focus on personal and professional development<sup>103</sup>.

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96 *ibid.*

97 *ibid.*

98 See Glossary for an explanation of the integrated competency framework

99 *ibid.* paragraph 33

100 *The Police Federation of England and Wales Annual Report 2007*, Police Federation of England and Wales, 2007, page 9

101 *The Review of Policing: Final Report*, Sir Ronnie Flanagan, Home Office, London, 2007, page 41

102 *Leading From the Frontline*, Her Majesty’s Inspectorate of Constabulary, London, 2008, page 7

103 Meeting with Mr George Couch of the NPIA, 2 September 2011

- 8.2.20 The stated purpose of the new PDR is to contribute towards “the performance improvement and personal development of an individual”. The objectives in the PDR should be primarily directed at achieving these aims<sup>104</sup>. The PDR operates on the principle of an ‘assumption of competence’. That is, it recognises that the majority of staff, once trained and experienced, usually perform their roles to acceptable standards<sup>105</sup>. The new PDR is based on the ‘professional policing framework’, the streamlined competency framework that replaced the ICF in January 2011<sup>106</sup>.
- 8.2.21 The NPIA produced a standard template for the PDR, but this has not been made compulsory for forces. The NPIA guidance states that forces can design their own PDRs, but recommends that they should contain six basic sections, five fewer than in the 2003 PDR template<sup>107</sup>. The guidance also recommends that for most staff, observational evidence, based on daily or regular supervision of the individual, will form the bulk of the evidence, with minimal documented evidence required from the individual<sup>108</sup>. This is an important development as one of the factors that made the 2003 model PDR so bureaucratic was the development of a practice or culture in which individuals would provide large amounts of documentary evidence in support of their performance at PDR reviews.

### *Status quo*

- 8.2.22 The Home Office has left it to forces to decide for themselves whether the new NPIA PDR meets their needs, and has permitted them to design their own approaches as they see fit. Whilst 42 of 43 forces are using the new NPIA PDR, there are several approaches to the PDR process in the English and Welsh police forces.
- 8.2.23 Two interesting approaches to the PDR are found in Surrey and Staffordshire. Surrey Police has developed a less bureaucratic approach to the PDR system. In the first year, every officer receives a full PDR. All those found to be competent are then put onto a ‘light touch’ PDR process for future years, which is less bureaucratic and time-consuming for both the line manager and the individual. Managerial effort is focussed on the PDRs of those who were identified as not yet competent. These individuals are required to undergo the full PDR process every year until they have become competent, at which point they move onto the ‘light touch’ process.
- 8.2.24 Staffordshire Police has adopted a different approach. The force consulted small groups of officers, and discovered that PDRs had become a barrier to officers taking action in pursuit of their personal development. In response to this finding, the force has remodelled its PDR to remove all of the performance measurement elements, retaining only the personal development plan. The aim of this approach is to bring about a cultural change that will improve the quality of the interaction between managers and the managed and, by removing the bureaucratic impediments of the old PDR system that was widely perceived to be without worthwhile purpose, improve the personal development of all officers. Each officer must have a continuous personal development plan, and the force provides an online template for officers to use for purposes of consistency.
- 8.2.25 The PDR system for chief officer ranks is unchanged since 2010/11, and operates as described above.

### **Analysis**

#### *What is the purpose of the PDR?*

- 8.2.26 Organisations generally use PDRs for two purposes:
- to review performance, and in some cases to determine salaries, bonuses, promotions, redundancies and poor performance; and

104 *NPIA Circular 04/2011*, page 4

105 *PDR – Making it Count: A Reference Guide*, NPIA, London, 2011, page 4

106 *ibid.* page 4

107 *ibid.* page 3

108 *NPIA Circular 04/2011*, page 3

- to promote professional and personal development.
- 8.2.27 The NPIA commissioned a literature review before developing a new PDR for the police service<sup>109</sup>. It evaluated the results of 28 studies on annual appraisals from the 1990s and 2000s. There was no conclusive evidence that PDRs were effective in improving individual or organisational performance. This should not, in itself, be assumed to mean that PDRs are not of value. There is evidence of a positive association between the use of PDRs and the quality of organisational performance.
- 8.2.28 The literature review identified a series of considerations which are relevant to the design of a new police PDR scheme, drawn from the available evidence:
- PDR systems should be implemented in ways that ensure they are perceived as fair and unbiased by employees, as perceived fairness is linked to satisfaction with the PDR. One study found a correlation between perceptions of fairness and organisational commitment and motivation.
  - PDRs should contribute towards training and development, with a focus on the future as well as assessing past performance. There is evidence, which includes a study of police forces, that PDRs that are focused on development are positively associated with satisfaction with the system and organisational commitment.
  - Employees should be active participants in the PDR, and the purpose of the PDR should be clearly communicated to them, as there is evidence linking both of these factors with employee satisfaction.
  - PDRs should be related to competency frameworks that are relevant to the employees' jobs. Evidence suggests that perceptions of PDRs are more negative where national frameworks, or frameworks required to meet external requirements, are used.
  - PDR systems should not be overly bureaucratic or time-consuming. The evidence indicates that employees prefer simpler systems, and strongly dislike complex bureaucratic processes. A study of a policing PDR system found that officers who did well in one competency in the PDR system tended to do well in all competencies. Complex systems that contain multiple competencies are unlikely to provide for more useful information than a simpler system with fewer competencies.
  - Training for line managers and employees in how to complete the PDR process effectively has been shown to increase levels of satisfaction.

### *Bureaucracy*

- 8.2.29 The 2003 PDR was 16 pages long. HMIC estimated that in 2009/10 some 1.5 million hours were spent conducting 224,000 police PDRs, at a total cost of £55 million<sup>110</sup>. This equates to approximately six to seven hours *per* PDR. Whether or not those hours were well spent depends upon the results achieved. There is nothing intrinsically wrong with an individual and his manager spending six hours a year discussing that individual's performance and development needs. However, if that appraisal is not undertaken rigorously, and does not have any consequences that benefit the individual or the police service, the time will have been wasted.
- 8.2.30 The fact that over 98% of applicants received the CRTP indicates that the appraisal of applications was insufficiently rigorous. But the evidence from the superintending ranks suggests that rigorous appraisal can and does exist in the police service. Superintendents who receive an 'exceptional' box marking gain two pay increments as a reward. In the period 2005 to 2008, only five to seven *per cent* of chief superintendents received a double increment. In the same period, only 12 to 15% of superintendents received a double increment.

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109 *Rapid Evidence Assessment of Performance and Development Review (PDR) Systems*, Matrix Evidence and NPIA Research, Analysis and Information Unit, unpublished, 2011

110 *Draft HMIC PDR Proposals*, unpublished HMIC internal paper, September 2010, page 1

- 8.2.31 The unsatisfactory performance procedures should be used by managers if steps to improve an officer's performance on an informal basis, as part of normal line management, have failed. The number of officers subject to UPP is not recorded nationally. The total number of officers dismissed from the service does include those dismissed for reasons of unsatisfactory performance, but it also contains those officers dismissed for reasons of misconduct or poor attendance. These figures are therefore an over-estimate of the true number of officers dismissed for unsatisfactory performance. Yet the numbers are very low, ranging from a high of 188 in 2005/06 to 130 in 2008/09. As a proportion of the total officer workforce, this is just 0.13% of officer strength in 2005/06 and 0.09% in 2008/09. These numbers indicate that the UPP are rarely taken to their conclusion, if they are commenced at all. This may be because there is very little poor performance in the police service. It may instead be an indication that the annual appraisal process is insufficiently rigorous to tackle poor performance.

### *Forced distribution*

- 8.2.32 Forced distribution is one method used in both the public and private sectors to prompt line managers to deal with poor performance. Line managers are required to place the workers whom they are appraising into a set of pre-specified categories, usually based on the normal distribution curve (or bell curve) where the majority of workers are concentrated in the middle of the range (competent performers) with small minorities at the top (exceptional performers) and the bottom (not yet competent) of the distribution. The workers are evaluated in comparison with the performance of their colleagues rather than solely against objectives. The exact distribution would be for managers to decide, but for illustrative purposes, if the annual appraisals of 100 members of staff are being moderated under a forced distribution system, the best ten appraisals must be ranked as exceptional, the next best 40 must be ranked as above average, the next 40 must be ranked as below average, and the bottom ten must be ranked as poor performers.
- 8.2.33 Forced distribution compels managers to rank their workers, and prevents them taking the easy option of ranking everybody as either competent or excellent. Since categorising a worker as a poor performer may cause a line manager difficulties – perhaps making their working relationship more difficult, and necessitating steps to improve the worker's performance which will take time and effort – line managers are incentivised to rate workers as either competent or exceptional performers. Doing so makes the line manager's job easier, but it is bad for the service as a whole because it means that poor performance is not identified and tackled.
- 8.2.34 Forced distribution has been controversial in some fields. It was given particular public attention by Mr Jack Welch, former Chief Executive Officer of General Electric, who used forced distribution to identify his best and worst performing staff, and insisted on the removal of the ten *per cent* ranked at the bottom of the distribution curve. Forced distribution has been criticised for its negative effect on staff morale, and the damage it can cause to teamwork and collaboration between staff<sup>111</sup>. It has also been argued that just because an individual is ranked the lowest amongst all his colleagues does not mean that his performance is poor but only that, in comparison, his colleagues were all more effective<sup>112</sup>. This is an inevitable risk when forced distribution is used to evaluate the performance of small groups of staff. Further, regularly replacing staff is expensive and can damage productivity.
- 8.2.35 Forced distribution does not have to be used as aggressively as it was used in General Electric. Managers can use the results of forced distribution in different ways and its use need not lead to the dismissal of the least effective workers. It is commonly used to identify workers whose performance is worthy of a bonus, and those who need advice and assistance to improve their performance.

111 *Forced Ranking: Making Performance Management Work*, D. Grote, Harvard Business School Working Knowledge for Business Leaders, 2005, accessed 1 November 2011 from <http://hbswk.hbs.edu/archive/5091.html>

112 *The Good, the Bad, and the Ugly: Forced Distribution in Performance Reviews*, C. Silverstein, Perspectives on Work, from <http://www.lera.uiuc.edu/Pubs/Perspectives/onlinecompanion/Spring2010Vol11/Silverstein.html>

## Consultation

### *Response by the Association of Chief Police Officers*

- 8.2.36 In its Part 1 submission, ACPO argued that annual incremental pay progression should be conducted on the basis of “rigorous performance assessment using the PDR”<sup>113</sup>.

### *Response by the Association of Police Authorities*

- 8.2.37 The APA advocates keeping financial reward and the PDR system entirely separate. It says that the purpose of the PDR should be to determine development needs and maintain a minimum required level of performance. The PDR should be a mechanism through which high calibre individuals are identified for active career development, and poor performers identified for the unsatisfactory performance procedures.

### *Responses by police forces and authorities*

- 8.2.38 The joint submission by Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire police forces sets out the training requirements for making a performance-related pay system work effectively. It says that managers need to be trained in performance management, what they describe as ‘holding difficult conversations’ with people, how to develop individuals and teams, and how to assess performance and set objectives.

### *Response by the Police Federation of England and Wales*

- 8.2.39 The Police Federation says that for performance-related pay to be introduced in the police service there must first be a PDR system that is “robust, transparent and fair and is perceived by officers to be so”<sup>114</sup>. There would need to be consistency not only between managers within the same force, but also nationally, with all forces judging officers against the same standards. It must also overcome the problems the Police Federation set out in its submission to Part 1. The Police Federation claims that a focus group, run on its behalf by Dr Mike Chatterton, found that police officers have no confidence in the current appraisal system in the police service.
- 8.2.40 In its Part 1 submission, the Police Federation set out what it believed were the problems with the current approach to appraisal in the police service. Constables and sergeants found the system overly bureaucratic. Forces used different terms to describe the performance markings, and some forces used a greater variety of markings than others. The Police Federation also remarked upon the increasing dislocation of supervision within police forces, with managers sometimes based in different buildings from the staff they manage, with limited opportunities to exercise oversight of their performance. It said that there was a need for forces to provide greater advice and assistance to line managers to help them appraise performance effectively. Finally, it warned that adopting a properly robust PDR process could lead to a huge increase in bureaucracy, as officers assembled large volumes of documentary evidence in relation to their performance.

### *Response by the Police Superintendents’ Association of England and Wales*

- 8.2.41 The Police Superintendents’ Association suggests that any performance-related pay system would have to be based upon a simple and effective PDR system. It suggests that the PDR used for performance-related pay in the superintending ranks could serve as a model. This simple model, with just three performance markings, was found to be effective, and when some forces changed it the effectiveness of the scheme was diminished. Like the Police Federation, the Police Superintendents’ Association argues that the PDR should be nationally mandated (that is, made compulsory for all forces) to ensure consistency.

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<sup>113</sup> ACPO Part 1 submission, page 44

<sup>114</sup> Police Federation submission, page 39

- 8.2.42 The Association says that all line managers would require training in any new PDR system before implementation. It also advocates some form of independent monitoring of appraisals to ensure consistency and avoid subjectivity and favouritism. It views both of these as risks inherent in performance-related pay schemes.
- 8.2.43 The Association warns that, as forces reduce the numbers of their officers, the number of managers in supervisory roles is also being reduced. This is resulting in increasing workloads for managers, and makes effective supervision and appraisal more difficult.

*Response by the British Association of Women in Policing*

- 8.2.44 The BAWP is in favour of the establishment of national standards in performance appraisal before performance-related pay is introduced. It advocates the use of moderation panels as an effective means of ensuring fair and consistent appraisal markings.

*Response by UNISON*

- 8.2.45 UNISON says that a PDR should be made an integral part of the system of pay. However, it warns that appraisal systems can be discriminatory because they are “subject to gender bias and stereotypes”<sup>115</sup>. In addition, it cites research that shows that women’s skills are often undervalued by both managers and women themselves, and that managers are less likely effectively to recognise women’s training needs than they are men’s.

*Seminars*

- 8.2.46 At the review’s seminar on performance- and post-related pay on 27 July 2011, Ms Sharan Ault, Head of Human Resources at Nottinghamshire Police, said that whilst contribution-related pay was desirable, it should be introduced gradually because managers do not at present have the skills to operate it properly.
- 8.2.47 Mr Steven Chase, Head of Human Resources at Thames Valley Police, emphasised the importance of dialogue between managers and staff, explaining that people in a workplace know who the good and poor performers are, and expect managers to take appropriate action in the case of poor performance. He explained how Thames Valley Police have integrated the PDR into “virtually every other [human resources] process”, using it for promotion and selection for development and other programmes.
- 8.2.48 Sergeant Lou Tompkins, an officer on the high potential development scheme in Thames Valley Police, said that there was a cultural barrier to the more effective use of the PDR in policing. She said that some officers were not concerned about what was written in their PDR provided it was “nothing too bad”.

*Website*

- 8.2.49 One respondent described the police service’s difficulties with performance appraisal in the following terms: “monitoring and measuring performance is not our strength – we are up to the umpteenth version of the PDR system and they are still wide open to subjectiveness and favouritism”.

**Conclusion**

- 8.2.50 There has been a need to appraise the performance of police officers for the purpose of relating pay to performance since Desborough’s recommendations in 1919. In recent years, the police PDR process has had a poor reputation, and has failed to gain the confidence of officers, particularly in the Federated ranks.
- 8.2.51 My recommendations on contribution-related pay progression are reliant upon the availability and competent operation of a fair and rigorous appraisal system. That appraisal system needs to be streamlined and provide a framework that encourages managers to have regular, formal

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115 UNISON submission, page 25

and honest dialogue with their staff about their performance. It also needs to serve as the basis for officers and staff to manage their professional development.

- 8.2.52 It is clear that the national PDR system introduced in 2003 did not work well. It was too bureaucratic and, because there was no performance- or contribution-related element to pay, it appeared to too many officers to have little or no worthwhile purpose.
- 8.2.53 Some forces have now gone too far in narrowing the scope of the PDR system. Whilst it is praiseworthy to remove unnecessary bureaucracy, appraisal is, when carried out properly, a significant and integral part of performance management. Officers and staff are the most important and expensive assets the police service possesses. It would be neglectful of forces and irresponsible to the taxpayer if managers were to fail to do everything they can to nurture and develop this precious asset.
- 8.2.54 The NPIA has already developed a new PDR system for police officers and staff; the new system is based on extensive research and has taken the criticism of the 2003 system into account. The NPIA PDR is a useful development that provides a model which, with minimal adaptation, would serve as an effective foundation for contribution-related pay in the police service.
- 8.2.55 The NPIA PDR allows for the assessment of performance against objectives. It also allows for the planning and monitoring of personal and professional development. All of these elements are crucial and should be retained.
- 8.2.56 I recommend that the Police Professional Body carries out work further to improve the NPIA PDR in two respects. First, continuous professional development should be made part of the assessment that leads to the final box marking. Secondly, the number of final box marks should be reduced. In its current form, the NPIA PDR offers managers nine different box markings from which to make a choice. This is too many. There is no need to divide officers into nine groups. I recommend that the Police Professional Body introduces three box markings: ‘unsatisfactory contribution’, ‘satisfactory contribution’, and ‘highly effective contribution’. The Police Professional Body should provide managers with clear and substantive guidance to enable them to make sound decisions as to which box marking is suitable in each case.

#### *The assessment process*

- 8.2.57 These three box markings in the PDR should be the basis for decisions on pay progression. I recommend that officers and staff given the ‘unsatisfactory contribution’ box marking should not receive a pay increment. Only those officers given a ‘satisfactory contribution’ or ‘highly effective contribution’ box marking should move up the pay scale.
- 8.2.58 One of the principal strengths of the NPIA PDR, and its accompanying guidance, is the emphasis it places on minimising the bureaucracy of the PDR process. The central part of performance appraisal is the quality, including honesty, of the dialogue between the manager and the worker. The PDR document itself is simply a form that records the substance of that exchange. The NPIA PDR guidance is correct to emphasise the fact that managers’ comments should be brief, and that workers should not gather unnecessarily large amounts of documentary evidence about their performance. Managers should already know how well each individual under their supervision is performing. They should not, in most cases, need to rely on documentary evidence supplied by the worker. If they do, they too are likely to be performing below a satisfactory level.
- 8.2.59 Since the NPIA PDR is, rightly, based on an assumption of competence, a fully documented PDR is not required for most officers and staff. I agree with the NPIA guidance that for most officers and staff only minimal evidence should be recorded, with the PDR based on the observations and judgments of the line manager. Individuals who are excellent performers, low performers, new to their role, or seeking career development should agree with their line manager the level of evidence that is required before they spend time on its collection. These are the workers upon whom managers should focus their attention. This is as true for police staff as it is for officers.

- 8.2.60 Chief officers should take the lead in each force in establishing appropriate objectives for officers and staff. Objectives should focus on medium- and long-term goals. Quantitative measures that risk creating perverse incentives, such as the number of arrests or stop and searches, should be avoided. Performance in the police service should not be assessed through crude quantitative measurements that interfere with the exercise of officers' discretion. Qualitative criteria are often neglected in PDRs because they are seen as too subjective, whilst quantitative criteria are favoured because they are easy to measure and are seen as more objective. There is nothing wrong with qualitative measures applied by a line manager, provided appropriate safeguards are in place to ensure that the judgments of managers in individual cases are fair and consistent. Managers have the obligation to manage. That involves making qualitative judgments about the performance of their staff. The evidence of line manager observation and assessment is just as valid as that based on quantitative measures, as long as the manager is himself properly trained in the task, competent and applies himself properly to the task.
- 8.2.61 I wish to emphasise here the importance of managers being properly trained in the use of PDRs, and being given the support of their senior officers in their use. No manager should fear giving his officers or staff honest appraisals, whether for reasons of harm to team morale or individual effectiveness, or anxiety that more senior officers will arbitrarily or capriciously disregard or overrule a judgment made by the line manager. It is not in the interests of the officer or staff member in question, his colleagues, his senior managers or the public for an under-performing officer or staff member to be allowed to 'coast along', relying on his colleagues to make up for his shortcomings. It is equally contrary to those interests for senior officers to tolerate, encourage or participate in a regime which does not take firm management action in cases of under-performance. The police have the safety and security of the public in their hands. The public cannot afford or endure a failure of the police service to do everything in its power to get the best out of its assets, to nurture and develop them to their greatest potential, and to take prompt, adequate and effective action where officers or staff are not working as well as they should. Senior managers who acquiesce or otherwise tolerate or facilitate such a state of affairs should themselves be subject to proceedings for unsatisfactory performance.

### *Moderation*

- 8.2.62 It is essential that forces take the steps necessary to encourage and ensure the proper, competent operation of the PDR system by managers. Under my recommendations, PDRs will count for much more, and officers and staff have the right to their sound implementation. The time for timidity and dishonesty in PDRs has gone.
- 8.2.63 To safeguard police officers and staff from unfair or unduly discriminatory judgments, all PDRs should be countersigned by a second line manager. This is built into the current NPIA PDR. Secondly, PDRs should be subject to moderation. Moderation panels, consisting of all the line managers of a given group of workers with similar roles, should be established. For instance, all the officers and staff working in a control room should be moderated together, by rank and grade. Line managers must demonstrate to their fellow managers that they are managing properly, taking appropriate action to tackle poor performance and develop the skills and the performance of all of their workers.
- 8.2.64 The moderation panel should not only ensure consistency. It should also be the means by which workers are ranked through a forced distribution process. Line managers should collectively agree on the rank order of all workers in the group, with each officer or member of staff placed in order from most effective to least effective performers. I recommend that they are put into three categories set out below.
- High performers – the top 10% of the distribution. These individuals should be considered for intensive development programmes such as the Direct Entry (Inspectors) Scheme that I recommend in Chapter 3.

- Effective – the middle 80% of the distribution. These are the competent individuals who make up the bulk of the workforce in the police service.
  - Less effective – the bottom 10% of the distribution. Other than in exceptional circumstances, the unsatisfactory performance procedures should be considered for these individuals, although their use should not be automatic; every case must be assessed on its individual merits.
- 8.2.65 These categories are relative. Those in the bottom 10% of the distribution may be less effective than their peers, but may still be determined to be competent. There should be no undue pressure to place all or any of those in the bottom category in the unsatisfactory performance regime (or the equivalent procedures for police staff). However, managers often need advice and assistance to deal with poor performance. Managers know that tackling poor performance can be hard work and lead to grievances and difficulties in the workplace. Forced distribution is a useful prompt to make managers ask themselves a difficult question – am I doing enough to tackle poor performance in my team?
- 8.2.66 The line manager of each individual in the bottom 10% of the distribution should consider whether or not the unsatisfactory performance procedures are appropriate in that case. Sometimes, a less formal approach may be sufficient, for example, agreeing an action plan to improve performance that can be reviewed over the course of the next year. As explained, in some cases the performance of those in the bottom 10% will be satisfactory. Having considered the correct approach, managers should produce a statement in writing explaining their proposed course of action, including their reasons. The statement should be sent to the force's human resources department which may, if chief officers so wish, monitor these statements for consistency and the rigour of their approach.

#### *Phased implementation*

- 8.2.67 I agree with the representations of the Police Federation and Derbyshire Constabulary about the importance of providing proper training to line managers in the police service. No PDR system can be expected to work effectively if managers are not trained in its use. This has a cost implication which should be met from existing force training budgets. Forces should investigate options for reducing the cost, for example, through shared procurement or through the use of e-learning, which is increasingly widely used in the civil service and elsewhere in the public sector. Until line managers have been trained in the use of the new PDR system, it is not reasonable to base contribution-related pay upon PDR markings.
- 8.2.68 The new PDR system must be a sound foundation upon which to build the contribution-related pay recommendations I make in this Chapter. In order to ensure this, I recommend that the amended NPIA PDR, and accompanying training for line managers, is introduced over three years, on the following basis:
- 2013 – training in the use of the amended NPIA PDR is provided to all line managers.
  - 2014/15 reporting year – the amended NPIA PDR is used for the appraisal of all officers in the Federated ranks and their staff equivalents. For those officers in the ranks of sergeant and above, and their staff equivalents, the results should be used to make decisions on contribution-related pay progression. For constables and their staff equivalents, 2014/15 should be used as a trial-run for the new PDR.
  - 2015/16 reporting year – the amended NPIA PDR is used for the appraisal of all officers in the Federated ranks and their staff equivalents. The results are used to make decisions on contribution-related pay progression in all ranks, including constables, and their staff equivalents.
- 8.2.69 The introduction of a PDR that has a direct effect on pay will be a significant change for the police service. I recommend that the new Police Professional Body should carry out a review of the operation of the PDR, moderation and contribution-related pay progression regime five years after its introduction for constables and the most junior staff grades.

- 8.2.70 A PDR system which follows a national design facilitates consistency of approach in the determination of the pay progression and other advancement of police officers and police staff. Forces should be at liberty to develop and improve the PDR system thus established, but I recommend that they do not disturb or eliminate its essential features.
- 8.2.71 In contrast, the PDR currently in use for the ACPO ranks has attracted little comment, and works well. It is currently used as the basis of performance-related pay progression at the rank of Assistant Chief Constable. For these reasons, I recommend that the ACPO rank PDR is maintained in its current form.

**Recommendation 79 – The Police Professional Body should amend the current NPIA PDR model to make it fit for use as the basis of contribution-related pay in the police service. This will involve: (a) reducing the number of box markings to three and giving clear definitions of each; (b) taking account of continuous professional development in the final box-marking; (c) including a record of attendance in the PDR; (d) taking account of whether the officer has passed the new fitness test; (e) developing guidance for the use of moderation panels to ensure force-level consistency, and forced distribution to identify the least effective 10% of officers and staff.**

**Recommendation 80 – The amended NPIA PDR template, and its accompanying guidance, should be established as the minimum standard for appraisal in the police service. Forces should be at liberty to develop and improve the PDR system thus established, but they should not disturb or eliminate its essential features. Forces should abide by its guidance, particularly in relation to (a) minimising bureaucracy; and (b) working on the assumption of competence.**

**Recommendation 81 – The amended NPIA PDR should be used in all forces in England and Wales beginning in 2014/15. Training should be given in advance to all line managers to ensure that they can use the PDR efficiently and effectively, so as to inspire confidence in the system and its operation.**

**Recommendation 82 – Forced distribution should be used to identify the least effective 10% of officers and staff. The forced distribution should be decided upon in moderation panels. Line managers of officers and staff who are the least effective 10% of performers must consider the use of unsatisfactory performance procedures for officers and the equivalent procedures for police staff. A written note must be made explaining what action was taken, and why, in the case of each individual.**

## 8.3 Federated officers

### Background

- 8.3.1 The history of contribution-related pay in the police service is provided at the beginning of Chapter 8.1.
- 8.3.2 As explained, the Federated ranks have had a system of contribution-related pay for several years, namely the Competence Related Threshold Payment (CRTP). In Part 1, I recommended that CRTPs be abolished because they had not worked as intended. The national standards were not applied with sufficient rigour, leading to a state of affairs in which virtually everyone who applied for the CRTP received it. In effect, it had become another point on the constables' pay scale.
- 8.3.3 The Police Negotiating Board failed to reach agreement on this matter so the Police Arbitration Tribunal (PAT) made its determination in January 2012. In the Tribunal's view,

the recommendation should be modified: “so that CRTPs for those who already receive them should remain in place but ... there should be a two year freeze on all applications”<sup>116</sup>. The Tribunal made this determination because it regarded it as unfair to remove CRTPs from those who already receive them and because CRTPs are part of the existing pay structure. The Tribunal was mindful of the fact that this Part 2 report was imminent at the time of its determination, and that it would make recommendations on the long-term structure of police pay.

## Analysis

- 8.3.4 A general analysis of contribution-related pay is included in Chapter 8.1.
- 8.3.5 Other organisations in the public sector use a variety of forms of contribution-related pay for their frontline staff, broadly comparable to the Federated ranks in the police service.
- 8.3.6 In the NHS, under the Agenda for Change pay arrangements, progression through the increments on the pay scale is subject to two conditions. First, progression up the pay scale to the maximum pay point is effected on an annual basis subject to satisfactory performance. Secondly, employees must pass two ‘gateways’, where an assessment of the individual’s application of the knowledge and skills necessary to perform effectively is made. The first assessment is called the foundation gateway and is conducted within 12 months of the individual starting in the post. The second gateway is usually placed at the point immediately before the worker reaches the final, or second to last, pay point<sup>117</sup> on his scale.
- 8.3.7 Bonus payments can be made under the Agenda for Change pay arrangements, “provided they are related to genuinely measurable targets ... and provide fair and equal opportunities for all staff in the organisation or unit or work area concerned to participate”<sup>118</sup>. The NHS has used team bonuses on a range of scales, from defining the team as a specific group of nurses on a particular ward, to treating an entire hospital as a single team.
- 8.3.8 Teachers in state-maintained schools are not eligible for individual or team bonuses. Pay progression through the increments on the pay scale is annual and made on the basis of satisfactory performance.
- 8.3.9 Pay progression for both prison officers and those in the new Prison Officer 2 grade is automatic on the basis of length of service. Those in administrative and managerial grades who receive at least an ‘achieved’ box marking in their annual appraisal progress by one pay point. Those with an ‘exceeded’ marking in their annual appraisal receive a non-pensionable lump sum performance bonus equal to one per cent of salary. Prison governors and other local managers have a discretion to reward the exceptional performance of any individual or team in a particularly demanding task or situation, by awarding a special bonus payment.
- 8.3.10 Local government employers have discretion to construct pay progression and bonus schemes as they see fit. Due to the equal pay claims that local councils have lost relating to bonus payments – which were historically applied to manual and craft employments, in trades predominantly carried out by men – the guidance for the use of bonus schemes in local government underscores the need for bonus arrangements to be equally accessible to men and women; clear in their purpose; clearly related to objective criteria; and subject to frequent and transparent monitoring<sup>119</sup>.

## Consultation

- 8.3.11 The consultation responses on the issue of contribution-related pay have been discussed earlier in Chapter 8.1. Respondents did not, in general, differentiate their responses by rank. The consultation responses discussed in Chapter 8.1 apply to the Federated ranks, and it is unnecessary to repeat that discussion here.

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116 *Decision of the Police Arbitration Tribunal: Winsor Report Part 1*, Police Arbitration Tribunal, January 2012, page 40

117 *NHS Terms and Conditions of Service Handbook*, 2011, section 6

118 *ibid.* section 7

119 *The Green Book*, National Joint Council for Local Government Services, 2005, paragraph 3.55

## Conclusion

- 8.3.12 The Federated ranks have received automatic pay progression on the basis of length of service throughout the history of the police service. There have been several forms of performance-related pay since the time of Desborough in 1919, most recently in the form of the CRTP. There has been much support from consultation respondents for the cessation of automatic pay progression, with widespread recognition that it should be replaced by some form of performance- or contribution-related element for the Federated ranks. Views on performance-related cash bonuses are generally very different, with considerable opposition to the idea.
- 8.3.13 There are four issues that require recommendations in this Chapter: first, the future of CRTPs following the PAT's determination in relation to the Part 1 recommendation that CRTPs should be abolished; second, how incremental pay progression should be designed and implemented over time; third, whether bonuses of any kind should be introduced for the Federated ranks; and, fourth, whether there are non-financial forms of reward that can work effectively in the Federated ranks.

### *Competence Related Threshold Payments*

- 8.3.14 This report recommends the establishment of a new architecture for police pay for the long-term, based upon shorter pay scales which include rigorous tests of specialist skills. CRTPs do not have a place in this structure because they serve to lengthen the pay scale and are an insufficiently rigorous test of competence. All of the criticisms made in relation to CRTPs in Chapter 3 of Part 1 are as pertinent now as they were when the Part 1 report was published. It is not unfair to abolish CRTPs because the practical application of the scheme has been dysfunctional, as explained in Part 1. It is unfair to the taxpayer to allow an expensive, faulty system to continue to operate. Competence increases with experience in the first few years of a constable's career. It is then more appropriate for further progression to be dependent upon satisfactory performance, with foundation and specialist skills thresholds to be attained before progression can proceed any further. The pay progression and skill and contribution-based system I have recommended in this report is a coherent and considerably superior system to a regime under which there is a virtually guaranteed twelfth point on an already over-long and unsustainable pay scale. I understand the PAT's reluctance to endorse the abolition of CRTPs without knowing what might replace them. This report now contains a fully developed system which is considerably better than the existing one, and the continuation of CRTPs would be anachronistic and inconsistent.
- 8.3.15 For these reasons, I recommend that CRTPs are abolished as soon as possible and at the latest by April 2013, when the new constables' pay scale recommended in Chapter 7 should be introduced. All accrued CRTP payments up to the date of abolition should be made on a pro-rated basis.

### *Contribution-related pay progression*

- 8.3.16 Automatic pay progression on the basis of length of service breeds a culture of entitlement. Pay increases should be earned through increased contribution. As explained, after the first few years, competence does not appreciably improve simply with the passage of time. Automatic pay progression is unfair because it rewards poor performers as generously as it does those who work well. In Part 1, I recommended that people should be paid for how well they work. Contribution-related pay progression is the way to give practical and worthwhile effect to that principle, and thus materially to improve the efficiency and effectiveness of policing and therefore the protection of the public.
- 8.3.17 For these reasons, pay increases should only be given in return for improvements in contribution. Chapter 8.1 details the factors that should be taken into account by managers when assessing the contribution of the officers they manage.
- 8.3.18 Contribution should be measured through the PDR system, with three possible box markings: highly effective, satisfactory and unsatisfactory. Only those officers who receive a 'satisfactory contribution' box marking or above should receive a pay increment. Officers who receive an

‘unsatisfactory contribution’ box marking should remain on the same pay point for a further year.

- 8.3.19 Contribution-related pay progression has two major benefits. First, it incentivises officers to make a full contribution and perform effectively. Secondly, it introduces greater fairness to pay in the Federated ranks. Officers know which members of their team are not performing, and it is only fair that those who make a full contribution to the police service are rewarded more generously than those who make no contribution at all.
- 8.3.20 Contribution-related pay progression will rely on there being an effective PDR system in the police service, with managers trained in how to use it properly. Without these foundations, contribution-related pay progression will not work. The recommendations that I have made in Chapter 8.2 address both of these issues.
- 8.3.21 Contribution-related pay progression for the Federated ranks should be introduced as soon as the new PDR system and manager training is in place. This should follow the timetable set out below:
- April 2013/14 – training in the use of the amended NPIA PDR is provided to all line managers of individuals in the Federated ranks.
  - April 2014/15 reporting year – the amended NPIA PDR is used for the appraisal of all officers in the Federated ranks. For those officers in the ranks of sergeant and above, the results will be used to make decisions on contribution-related pay progression. For constables, 2014/15 should be used as a trial-run for the new PDR.
  - April 2015/16 reporting year – the amended NPIA PDR is used for the appraisal of all officers in the Federated ranks. The results are used to make decisions on contribution-related pay progression decisions in all ranks, including constables.
- 8.3.22 The introduction of contribution-related pay progression should not increase bureaucracy in the police service. PDRs are already in use, and the NPIA PDR that I recommend in Chapter 8.2 is specifically designed to overcome the problems of the old PDR, notably excessive bureaucracy. The NPIA PDR is a streamlined system that relies on managerial observation rather than large amounts of documentary evidence that were a feature of the old PDR.
- 8.3.23 This recommendation will be cost-neutral or lead to a small pay bill saving, as some officers will receive an ‘unsatisfactory contribution’ box marking and therefore will not progress up the pay scale. I anticipate that a relatively small number of officers will be held back in this way, and therefore the savings will be small. But it is not right that unsatisfactory performance should be met with an increase in pay, and the system I have recommended will stop that. I have not included these potential savings in my overall costings for this report as this recommendation has not been made in order to save money.
- 8.3.24 This recommendation carries a risk that a minority of managers will allow their prejudices – conscious or unconscious – to interfere with their decision-making. This potential difficulty will be neutralised by the requirement that each PDR requires the counter-signature of a second manager, and the additional safeguard which requires all PDR box markings to go through a system of moderation to ensure fairness and consistency. I recommend that forces monitor the results of contribution-related pay progression to ensure that it is working as it should.

#### *Individual and team bonuses*

- 8.3.25 A system of individual performance bonus payments for Federated officers is not recommended. Such a regime would risk introducing perverse incentives and interfere with the proper exercise of discretion upon which British policing depends. Such individual payments might also demotivate officers who have worked hard and yet have been overlooked for special reward. Since, for affordability reasons, performance bonuses could only be given to the very best performers, they would necessarily have to be given to a small minority of officers. Finding performance measures to separate the very best officers from the many other highly competent officers would be difficult. Moreover, individual performance bonuses in

the Federated ranks could damage the teamwork ethos upon which so much effective policing relies.

- 8.3.26 In Part 1, I recommended that team bonuses should be introduced in the police service and the Home Secretary has accepted the recommendation. Unlike individual bonuses, they work entirely with the grain of policing. They encourage effective teamwork, recognise high performance, and reward officers and staff on an equal footing, as all members of a team, regardless of rank or employment status, would receive the bonus.

#### *National policing awards*

- 8.3.27 Officers are not motivated principally by financial considerations. Their greatest motivations are professional pride, commitment to the public interest and the satisfaction of doing a job well. In my judgment, new national policing awards for exceptional performance are likely to have a strongly positive motivating effect on officers. Those officers who make an outstanding contribution to policing should be recognised through a new range of national policing awards. These awards will send a strong message to officers and to the public that the police service values, recognises and encourages high performance.
- 8.3.28 I recommended in Part 1 that ACPO and the Police Federation work together to create a series of new national policing awards that will be placed between local force awards and awards made under the national honours system. I am disappointed that progress has not been faster. I recommend once again that three new national police awards are created:
- *ACPO Commendation*: This would be one level above Chief Constable and Police Authority commendations, available to officers (including special constables) and staff for bravery or excellence worthy of recognition at a national level. I expect there may be approximately 200 such commendations each year.
  - *Police Award for Gallantry*: This would be available to officers, special constables and staff, for acts of gallantry.
  - *Police Award for Distinguished Service*: This would be available to officers and staff for outstanding individual acts worthy of recognition at a national level. I expect there may be approximately 50 such awards each year.
- 8.3.29 The new awards should be in place by April 2013. This gives ample time for ACPO and the Police Federation to agree all of the necessary details.
- 8.3.30 Both the cost and the bureaucracy implications of this recommendation are minimal, as the cost of running such a scheme would be trivial in the context of the policing budget. A system based on recommendations made by Chief Constables or police and crime commissioners, with final decisions taken by ACPO, would require only low levels of administrative support.

**Recommendation 83 – Competence Related Threshold Payments should be abolished by April 2013 at the latest, and all accrued CRTP payments up to that date should be made on a pro-rated basis.**

**Recommendation 84 – Pay progression for officers in the Federated ranks should be subject to a satisfactory box marking in the annual appraisal. Those officers who receive a box marking of ‘satisfactory contribution’ or above should advance by one pay increment; those who receive an ‘unsatisfactory contribution’ box marking should remain on the same pay point for a further year. This should be introduced for sergeants, inspectors and chief inspectors in 2014/15 and for constables in 2015/16.**

**Recommendation 85 – ACPO, and the Police Federation and police staff trade unions, along with other interested parties, should establish a series of new national policing awards for police officers and staff.**

## 8.4 Superintending, ACC and DCC ranks

### Background

- 8.4.1 The history of contribution-related pay in the police service is provided at the beginning of Chapter 8.1.
- 8.4.2 Under current arrangements, the following elements of performance-related pay are available for the superintending, ACC and DCC ranks:
- Bonuses for those members of the superintending ranks worth up to 5% of basic pay, for those who have been at the maximum of their pay scale for at least 12 months and are rated as ‘exceptional’ performers in their PDRs.
  - Performance-related progression for the superintending ranks, on the basis of the annual appraisal marking. An ‘exceptional’ marking would result in a double increment; a ‘competent’ marking would result in a single increment, whilst those assessed as ‘not yet competent’ would not receive any increment.
  - Performance-related progression for Assistant Chief Constables on the same basis as that of superintendents.
  - Bonuses for Assistant Chief Constables worth up to 10% of basic pay.
  - Bonuses for Deputy Chief Constables worth up to 12.5% of basic pay.
- 8.4.3 For both Assistant and Deputy Chief Constables, bonus payments are based on their performance against their force’s policing plan. Performance is assessed by the relevant police authority in consultation with HMIC.
- 8.4.4 The Part 1 recommendation to suspend the bonus schemes in these ranks for two years was accepted by the Home Secretary in January 2012.

### Analysis

#### *Performance-related pay progression*

- 8.4.5 The number of officers in the superintending ranks who receive double increments is small<sup>120</sup>.

**Table 8.1: Superintending ranks and ACC double increments**

	Superintendents	Chief superintendents	Assistant Chief Constables
2005	17%	5%	41%
2006	19%	7%	41%
2007	18%	7%	58%
2008	14%	6%	58%

Sources: LGE (2009) Survey and LGE Chief Officer Bonus Survey (2010)

- 8.4.6 It is unsurprising that the proportions of officers in these ranks in receipt of bonuses are very significantly lower than the proportions of Federated rank officers in receipt of the CRTP. This is because the standard against which the two assessments are made is very different. Senior officers must be rated as ‘exceptional’ in their PDRs to receive double increments, a far higher threshold than has been applied for CRTPs.
- 8.4.7 These figures indicate that the police service sets very high standards for senior officers to be rated ‘exceptional’ in their PDRs. In 2008, only six *per cent* of chief superintendents received double increments. A typical forced distribution ranking system would place 20% in the top

<sup>120</sup> It is important to note that the data on superintending ranks are taken on a calendar year basis, whereas the data on ACC double increments are taken on a financial year basis

ranking. However, it should be remembered that increments are only available to those officers who are not yet at the top of their pay scale. The chief superintendent pay scale is only three pay points long, so only a relatively small proportion of chief superintendents are eligible for double increments. By contrast, ACCs, with a six-point pay spine, saw a far higher level of ‘exceptional’ ratings translated into double increment payments.

### *Bonuses*

- 8.4.8 The proportion of senior officers in receipt of bonuses rises as rank seniority increases. In part, the difference is explained by the fact that only those superintendents at the top of their pay scale are eligible for a bonus. However, all chief officers are eligible for a bonus<sup>121</sup>.

	<b>% in receipt</b>	<b>Average amount</b>
Superintendent	16%	£3,268
Chief superintendent	32%	£3,350
Assistant Chief Constable	35%	£8,500
Deputy Chief Constable	67%	£10,200

- 8.4.9 It is difficult to make an overall assessment of the effect of bonuses in policing. The results which matter most to the public – crime and detection rates – are functions of a very complex range of factors and variables. Isolating the effect of the introduction of bonuses in the early 2000s on crime and detection rates is clearly too complicated to attempt.

### **Consultation**

- 8.4.10 The consultation responses on the issue of contribution-related pay have been discussed previously in Chapter 8.1. The consultation responses discussed in Chapter 8.1 apply to the superintending, ACC and DCC ranks, and it is unnecessary to repeat that discussion here.

### **Conclusion**

- 8.4.11 At present, there are two forms of performance-related pay for the superintending and ACC ranks: performance-related incremental pay progression, with double increments for top performers, and bonuses for those officers who have reached the top of their pay scale. DCCs are on a spot rate of pay and have no performance-related pay progression, but they are eligible for performance-related bonuses.
- 8.4.12 Whilst the consultation responses have revealed widespread opposition to bonuses in the police service, the Police Superintendents' Association is notable in its support of bonuses. CPOSA, however, is opposed to performance bonuses for the ACC and DCC ranks. The consultation revealed much support for contribution-related pay progression, which is shared by both the Police Superintendents' Association and CPOSA. Contribution-related pay progression should apply to the superintending ranks, just as it does to the Federated ranks. I have explained my reasons for not recommending performance-related individual cash bonuses in the police service.
- 8.4.13 Contribution-related pay progression is valuable and should be introduced because it gives practical and worthwhile effect to that principle that officers should be paid for how well they work. Pay progression should be a reward for increased contribution, not an automatic entitlement that accrues for each year of service. The fact that performance-related pay progression has been used successfully in the superintending and ACC ranks for nearly ten years indicates that it can work effectively in policing.

<sup>121</sup> It is important to note that the data on superintending ranks are taken on a calendar year basis, whereas the data on ACC double increments are taken on a financial year basis

- 8.4.14 I recommend that the system of double increment pay progression at the superintending and ACC ranks should be abolished in April 2013. This is because in Chapter 7 I recommend shortened pay scales for the superintendent and ACC ranks. With these shortened pay scales, double increments would allow officers to move to the maximum too quickly. Differentiation through pay is important, but it is also important that a consistent approach is taken throughout all ranks of the service. The focus should be on eliminating poor performance rather than finding distinctions between the very best performers and the many highly competent performers who may be demotivated if they are denied double increments.
- 8.4.15 Contribution-related pay progression will work in exactly the same way for the superintending ranks as it does for the Federated ranks. ‘Contribution’ should be a broad measure of an officer’s performance, personal qualities, professional development, fitness and attendance. Only those whose contribution is determined to be at least satisfactory in their PDR should be rewarded with a pay increment. Those whose contribution is found to be unsatisfactory should remain on the same pay point for a further year.
- 8.4.16 Contribution-related pay progression will have the advantages of incentivising high performance, professional development, and fitness, and ensuring the pay system is fair because it only rewards those who truly deserve an increase in pay.
- 8.4.17 Contribution-related pay progression is dependent for its success upon an effective PDR system, and managers properly trained in its use. These conditions have been established to exist at senior ranks by the success of the existing performance-related pay system. I recommend in Chapter 8.2 that a revised version of the NPIA PDR be introduced into the police service, and that managers are properly trained in its use. I am confident that this will not cause any difficulties at the superintending ranks.
- 8.4.18 Arrangements should be slightly different for ACCs because they use the ACPO ranks’ PDR form. This PDR is already fit for purpose and does not need to be changed. Current arrangements at ACC rank for determining single-increment pay progression should continue as they are.
- 8.4.19 These recommendations will have a neutral effect on bureaucracy, as these ranks already use PDRs to determine pay progression.
- 8.4.20 These recommendations will also be cost-neutral. Savings made from removing double-increment pay progression should be reinvested into the new basic pay scales for superintendents and ACCs recommended in Chapter 7. Single increment pay progression already exists, and so maintaining it will be cost-neutral.
- 8.4.21 For the reasons given in Chapter 8.1, I have not recommended the introduction of individual performance-related cash bonuses in the police service.
- 8.4.22 The Police Superintendents’ Association is in favour of the retention of bonuses in the superintending ranks, although they recognise the difficulty of establishing appropriate performance measures in policing, and are critical of its inconsistent application between forces. In its Part 1 submission, the Association argued that since performance-related pay was introduced for superintendents in 2003, “police performance nationally has improved significantly with reductions in all categories of crime and significant improvements in detection rates”<sup>122</sup>. It also stated that performance-related pay arrangements should be the same for all ranks<sup>123</sup>. By contrast, CPOSA advocates the abolition of bonus payments for ACPO ranks. It argues that the national debate about bonuses in the public sector has become ‘toxic’, and that the current performance measures are too quantitative in nature, and focus too strongly on force performance rather than individual performance.
- 8.4.23 I am unpersuaded by the Police Superintendents’ Association’s claim that falling crime rates are related to the introduction of bonuses for the superintending ranks. The fall in crime started before 2003, and the causes are complex, reaching far beyond the application of bonuses

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122 Police Superintendents’ Association Part 1 submission, page 21

123 *ibid.* page 3

worth five *per cent* of superintendents' basic pay. I agree with the Association's argument that designing the most appropriate and effective performance measures in policing is very difficult, and its suggestion that performance- or contribution-related pay arrangements should be the same for all ranks. I agree also with CPOSA's argument that there is an unacceptable risk that bonuses will harm the public's attitude towards the police.

- 8.4.24 I therefore recommend that bonus payments for the superintending, ACC and DCC ranks are abolished from April 2013 onwards.
- 8.4.25 This recommendation will not create any additional bureaucracy, and may provide a small saving as bonuses will no longer need to be administered.
- 8.4.26 This recommendation will create a small cost saving. The savings made in the superintending and ACC ranks should be reinvested into the new pay scales recommended for those ranks in Chapter 7.2 in order to offset the cost of shortening those pay scales.

**Recommendation 86 – Pay progression for officers in the superintending and ACC ranks should be subject to at least a satisfactory box marking in the annual appraisal. Those officers whose contribution is marked as satisfactory or above should advance by one pay increment; those who receive an 'unsatisfactory contribution' box marking should remain on the same pay point for a further year.**

**Recommendation 87 – Double increment pay progression should be abolished in April 2013.**

**Recommendation 88 – Individual bonus schemes for officers in the superintending, ACC and DCC ranks should be abolished in April 2013.**

## 8.5 Chief Constable rank

### Background

- 8.5.1 The history of contribution-related pay is set out in Chapter 8.1. Under current arrangements, Chief Constables are eligible for performance-related non-pensionable bonuses of up to 15% of basic salary. The Chief Constable's performance is not measured against personal objectives, but against the force's policing plan. His performance is evaluated by the relevant police authority in consultation with HMIC.

### Analysis

- 8.5.2 The numbers of Chief Constables receiving a bonus, and the median value of those bonuses, are set out in the table below. It is notable that the proportion of Chief Constables in receipt of a bonus in 2008/09 is lower than in the case of Deputy Chief Constables. The number who refused the bonus is similar across the two ranks (three out of 22 Chief Constables and two out of 22 Deputy Chief Constables refused).

**Table 8.3: Chief Constable bonuses in 2008/9**

<b>% of Chief Constables in receipt of a bonus</b>	<b>Median payment</b>	<b>Range of payments</b>	<b>Median payment (% of basic pay)</b>	<b>Range of payments (% of basic pay)</b>	<b>Individuals who were awarded but refused bonuses</b>	<b>Individuals or police authorities that refused to take part in bonus system</b>
57%	£15,200	£6,200 – £25,200	10%	5%-15%	3 (out of 22)	15 (out of 37 respondents)

*Source: LGE Chief Office bonus survey (2010)*

8.5.3 As with the other ranks which have been eligible for bonus payments, there is no accurate method of assessing whether performance has improved as a result of the bonus schemes, beyond the conclusions made about performance-related pay in general in Chapter 8.1 above.

### Comparators

- 8.5.4 Performance-related bonuses are common in the cases of the most senior executives in both the public and private sectors.
- 8.5.5 In 2008/09 (the year of comparison with the data for Chief Constables in Table 8.3 above), the average bonus payment for a Director General in the civil service was £12,700. This establishes that in 2008/09 the average bonuses paid to Chief Constables were higher than those paid to senior civil servants, who are in broadly comparable positions of responsibility.
- 8.5.6 NHS senior managers can receive up to seven *per cent* of salary in bonus payments. This is a significantly lower proportion than is available to senior police officers.
- 8.5.7 Senior managers in the Prison Service receive pay progression on the basis of their annual appraisal markings. Those who receive an ‘almost achieved’ or better box marking receive a single increment of pay progression. Those who receive an ‘exceeded’ box marking are awarded a non-consolidated pensionable lump sum performance bonus worth one *per cent* of salary.
- 8.5.8 The private sector is much more diverse than the public sector, and worthwhile comparisons with the police service are appreciably harder to draw. Bonus payments for the directors of the largest and most successful private sector companies are far above the levels paid in the police service or anywhere else in the public sector. In 2011, directors of FTSE 100 companies received an average bonus payment of £906,044, an increase of 23% from the previous year<sup>124</sup>. A recent study by Incomes Data Services has found that the very significant increases in executive pay over the last ten years in FTSE 350 companies has not been matched by improved performance, suggesting that the link between performance-related pay, and actual performance, is weak at best<sup>125</sup>.

### Consultation

- 8.5.9 The consultation responses on the issue of contribution-related pay have been discussed previously in Chapter 8.1. There were also some specific comments on issues relating to Chief Constables which I discuss here, in particular those responses to consultation questions about ‘at risk’ pay.

124 *FTSE 100 Directors Get 49% Increase in Total Earnings*, Incomes Data Services, Press Release, October 26 2011

125 *What are We Paying For? Exploring Executive Pay and Performance*, Incomes Data Services for the High Pay Commission, 2011

*Response by the Association of Police Authorities*

- 8.5.10 The APA says that police and crime commissioners will need means to manage the performance of Chief Constables. It does not support the introduction of ‘at risk’ pay but instead advocates the creation of an unsatisfactory performance procedure for Chief Constables.

*Response by the Association of Police Authority Chief Executives*

- 8.5.11 APACE argues that ‘at risk’ pay could be effective as an instrument for the management of the performance of the Chief Constable. It argues that PCCs could be given discretion to reduce the Chief Constable’s pay if performance targets are not met.
- 8.5.12 APACE is supportive of the use of performance-related bonuses for Chief Constables in theory, but draws attention to some of the difficulties of making such a regime work in practice. It argues that bonuses must be based on a sound PDR process, and that both the appraiser and the chief officer must be clear what the performance standards are, and have confidence in the PDR system. In common with many other consultation respondents, APACE warns of the difficulties of establishing sound performance measures in policing. APACE also raises the risk that PCCs would alone decide whether or not the Chief Constable should receive a bonus. APACE advocates a system whereby a panel of independent people with policing experience would make the decision.

*Responses by police forces*

- 8.5.13 The joint response from the Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire forces advocates the use of a mix of targets in Chief Constables’ PDRs in respect of both local and national issues, for example responsibilities relating to cross-border crime.

*Response by the Chief Police Officers’ Staff Association*

- 8.5.14 CPOSA is strongly opposed to ‘at risk’ pay. It argues that any ‘at risk’ pay scheme would have to be based on an unsatisfactory performance procedure designed for Chief Constables and that individual cases would require to be ‘comprehensively evidenced’.
- 8.5.15 CPOSA is opposed to any form of ‘at risk’ pay that would reduce future pension entitlements. CPOSA argues that such a reduction would quite disproportionate because it would have a long-term adverse financial effect on the chief officer in question.
- 8.5.16 CPOSA is also opposed to the use of performance-related bonuses in the chief officer ranks. CPOSA fears that the introduction of PCCs will politicise the remuneration of Chief Constables. Whilst CPOSA recognises that it is, in theory, possible to create a sophisticated set of performance measures for Chief Constables, it warns that such measures are unlikely to be adopted in practice, particularly if policing becomes politicised. In CPOSA’s opinion, any crude, quantitative measures would create perverse incentives and harm the public interest. CPOSA advocates the removal of the chief officer bonus scheme and a small salary increase in its stead.

*Additional consultation responses*

- 8.5.17 The Local Government Group argues that PCCs should be able to reduce the pay of Chief Constables on the grounds of unsatisfactory performance. It says that there are likely to be difficulties in the management of a system of ‘at risk’ pay, and says that a PCC would require professional advice and assistance in designing a system of performance appraisal for Chief Constables.
- 8.5.18 The think-tank Reform argues that a PCC should be free to include a performance-related element in the pay of a Chief Constable if he considers it appropriate.

## Conclusion

- 8.5.19 The two principal issues in relation to contribution-related pay for Chief Constables are whether Chief Constables should have a bonus scheme, and whether ‘at risk’ pay should be introduced for them. For the reasons given below, I believe that the considerations which ought to determine both questions are the same.
- 8.5.20 The advantages and disadvantages of contribution-related bonuses and ‘at risk’ pay in relation to ranks below Chief Constable have been discussed in Chapter 8.1. My conclusion in relation to bonuses and ‘at risk’ pay for Chief Constables is fundamentally the same, although there are additional considerations in the case of officers of the highest rank which I have taken into account.
- 8.5.21 In November 2012, police and crime commissioners will be elected and take over from Police Authorities the role of holding Chief Constable to account. They will become the principal political actors in the democratic interface with the police. Under the Police Reform and Social Responsibility Act 2011, the PCC has the obligation to secure that the police force is efficient and effective. He is required to hold the Chief Constable to account for the exercise of the functions of the Chief Constable and those under the direction and control of the Chief Constable. The Act provides that the police force, including its civilian staff, are under the direction and control of the Chief Constable. It is therefore clear that the operational independence of the Chief Constable is assured, and that whilst the PCC has political oversight of the work of the Chief Constable and his police force, he may not interfere in operational matters.
- 8.5.22 Under section 38 and Schedule 8 of the Act, the PCC may suspend the Chief Constable from office or require him to retire or resign. He may only do so after due process, including consultation with the relevant police and crime panel. There must be a full opportunity for the Chief Constable to be told the reasons for the proposed action and to make representations. In this respect, the panel may consult HMIC on the proposed removal of the Chief Constable, and it must hold a scrutiny hearing. A scrutiny hearing is a meeting of the panel, held in private, which the PCC and the Chief Constable are both entitled to attend for the purpose of making representations relating to the proposal to call upon the Chief Constable to retire or resign. There are therefore checks and balances in the system which must operate before a PCC may remove a Chief Constable from office.
- 8.5.23 The Police Reform and Social Responsibility Act 2011 contains a developed mechanism under which the PCC will hold the Chief Constable to account. In my view, it is unnecessary for the PCC to be given additional powers, beyond those explicitly contemplated by Parliament, to determine the level of pay of the Chief Constable according to his discretion, or a judgment about the achievement of targets. The importance of PCCs not interfering in operational policing decisions, which must remain in the hands of the Chief Constable, has been underscored by Ministers and others in the debates about PCCs. Operational independence in policing is essential, and nothing should be done which encroaches upon it, or may jeopardise it.
- 8.5.24 I regard as inimical to true operational independence a state of affairs under which the person or entity from which that independence is required and must be assured has a discretion in relation to the remuneration of the independent officer, whether the right to award more pay or take any away. Such regimes do not exist in the case of the judiciary, for obvious reasons. Nor should they exist in the case of other officers or entities which must be independent of the political apparatus of the state, such as economic regulators<sup>126</sup>.

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126 It may be noticed here that when appointed as Rail Regulator in 1999, it was suggested to me that my remuneration structure should be such as to provide for a bonus payment of up to 30% of salary, at the discretion of the Secretary of State, to be available, dependent upon his judgment of my performance. As all economic regulators at the time were, and should remain, independent of Ministers, I immediately rejected the proposal as entirely inconsistent with the necessary independence of my office. It was a surprise to me that the notion was devised in the first place

- 8.5.25 It should also be noticed that very few police officers are principally motivated by money. My discussions with police officers and others in the course of the review have made it clear to me that this is especially true of chief officers, whose motivations are on a far higher plane than their remuneration.
- 8.5.26 For these reasons, I recommend that the bonus scheme for Chief Constables is abolished, and that no system of ‘at risk’ pay should be established for Chief Constables.
- 8.5.27 This recommendation will lead to a small reduction in bureaucracy as the process of administering a Chief Constable bonus scheme will be removed from each force. It will also deliver a small cost saving. This has already been taken into account in Part 1.
- 8.5.28 This recommendation does not raise equality issues as it is reducing the differentiation in remuneration. There is no risk, therefore, of an adverse impact on groups with protected characteristics.

**Recommendation 89 – The bonus scheme for Chief Constables should be abolished with effect from April 2013.**

## 8.6 Police staff

### Background

#### *History*

- 8.6.1 The development of contribution-related pay for police staff has followed a path which has been markedly different from officers’. Police staff are employees and have always been engaged on terms of service quite unlike those in police regulations.

#### *Status quo*

- 8.6.2 Police forces are at liberty to make their own arrangements for contribution-related pay for their staff. The Police Staff Council handbook states that pay progression “[w]ill normally be by one pay point each year subject to satisfactory performance” but that “[p]rogression may be accelerated within the scale for excellent performance”<sup>127</sup>.
- 8.6.3 Forces use both performance-related pay progression and bonus payments for police staff<sup>128</sup>. These arrangements are decided at force level and there is significant variation from force to force. Not all forces use performance-related pay schemes. For example, in 2002, the Metropolitan Police Service introduced a new pay and grading system for police staff which did not include performance-related pay, replacing an earlier pay system which had elements of performance-related pay<sup>129</sup>.
- 8.6.4 Surrey Police and Thames Valley Police provide useful illustrations of current practice. Surrey Police provides a variety of rewards for its staff members. Double-increments (providing a long-term and pensionable pay increase) are available for the best performers. Recognition payments (a non-pensionable single payment), are available for temporary additional responsibilities, or exceptional pieces of work. In appropriate cases, non-financial rewards are given; these include four different levels of commendation and opportunities to join the high potential development scheme. At the senior levels, a member of police staff in Surrey is eligible for a contribution-related bonus payment based on his manager’s appraisal of his performance.

<sup>127</sup> *Pay and Conditions of Service Handbook*, Police Staff Council, London, 2004, page 13

<sup>128</sup> *Analysis of Pay and Reward Practices and Terms and Conditions for Police Officers and Police Staff*, ACPO, October 2010, page 5

<sup>129</sup> *Submission from Prospect*, September 2011, page 3

- 8.6.5 Thames Valley Police use a pay matrix to determine staff annual pay increments. Staff do not move up the pay scale only according to their length of service. A completed annual appraisal is a prerequisite for any pay increase, and the distribution of appraisal rankings is audited to ensure consistency.
- 8.6.6 The pay matrix is based on a combination of the individual's PDR rating and his position on the pay scale in relation to the 'pay reference point' for the job. The 'pay reference point' is established using job evaluation techniques. The pay matrix is designed to ensure that those who perform best, and are furthest below the pay reference point for the job they do, receive the greatest pay increases. Those who perform least well receive no pay rise. Those who are above the pay reference point on the pay scale get smaller increases than those below, but the size of the pay increase is still directly related to their annual appraisal markings.
- 8.6.7 The matrix is not a pure contribution-related pay system, in which top performers will always receive the highest rewards. It is a system which is designed to take into account the performance of all staff, in order to move them towards their pay reference points. For example, an 'exceptional' performer who is already 4.5% above the pay reference point will receive a smaller pay increase (of just 1.8%) than an individual rated as 'development required' who is more than 4.5% below the pay reference point (who will receive a pay increase of 1.95%), despite the exceptional performer having performed to a higher standard.

## Analysis

### *Bonuses*

- 8.6.8 Table 8.4 shows the variety of reasons used by forces when awarding performance-related bonuses to police staff.

**Table 8.4: Reasons given for making bonus payments to staff**

Reason	No. of forces
Particularly unpleasant or demanding work	16
Evidence of financial saving to the force	6
Supporting the team/unit during a particularly difficult period	15
As a result of a commendation from an outside body / person	7
Participation in a standby rota	4
Recommendation from manager of outstanding work or high achievements	22
Significant impact on force targets	9
Partial or full 'acting up'	7
All payments currently on hold	1

*Source: ACPO Pay and Reward Survey (2010)*

- 8.6.9 The most common reason for awarding a bonus is outstanding work or high achievement. The next two most common reasons for awarding a bonus are particularly unpleasant or demanding work, and supporting the team during a particularly difficult period. These are all important forms of contribution to the police service.

### *Pay progression*

- 8.6.10 Of 28 forces surveyed, 23 had schemes for accelerated pay progression for their staff. The criteria for accelerated pay progression varied, but the most common was outstanding performance. Table 8.5 summarises the reasons given for accelerated progression.

<b>Table 8.5: Reasons for accelerating staff pay progression</b>	
<b>Reason</b>	<b>No. of forces</b>
Appraisal ratings	8
Demonstration of set competence criteria	4
Recognised outstanding performance	16
Undertaking additional work	4
Undertaking work of a more senior grade/rank	6
Reward for good attendance	1
Progression is never accelerated	4
<i>Source: ACPO Pay and Reward Survey (2010)</i>	

- 8.6.11 Forces also have differing approaches to delaying pay progression. Seven of the 28 forces never delay pay progression. The most common reason for delaying pay progression was that the individual was subject to proceedings under the force's unsatisfactory performance procedures. The full range of reasons is summarised in Table 8.6.

<b>Table 8.6: Reasons for delaying staff pay progression</b>	
Poor appraisal ratings	9
When attendance is below target	4
When under a capability procedure (sickness)	8
When under a capability procedure (performance)	19
When under a disciplinary sanction	6
Progression is never delayed	7
<i>Source: ACPO Pay and Reward Survey (2010)</i>	

- 8.6.12 With regard to external comparators and alternative approaches in the public and private sectors, these were set out in Chapters 8.3 to 8.5.

### **Consultation**

- 8.6.13 The consultation responses on the issue of contribution-related pay are discussed in Chapter 8.1. Respondents typically responded without making distinctions between staff and officers. Many of the consultation responses discussed in Chapter 8.1 apply to police staff, and it is unnecessary to repeat them here. A summary of the UNISON response – which is concerned predominantly with police staff – is in Chapter 8.1. Other representations specific to police staff are summarised in the following paragraphs.

#### *Response from Prospect*

- 8.6.14 Prospect's consultation response gives details of the performance-related pay scheme for police staff in the Metropolitan Police Service (MPS). It was abolished in 2002 by agreement between management and unions. Under that scheme, it was found that the PDR markings of some staff were being moderated by senior managers who had little or no knowledge of the individuals' performance. The result of this moderation was to reduce the staff members' appraisal markings, and thus their financial rewards. The case was taken to an employment tribunal which found against the MPS.
- 8.6.15 Prospect told the review that under the MPS performance-related pay scheme, there was no effective mechanism for controlling the behaviour of managers, who were able to decide whose

pay should progress each year. This led to a culture of bullying, it said, which in turn resulted in unlawful discrimination against female members of police staff and ethnic minorities.

*Responses from the Police Superintendents' Association of England and Wales and the British Association of Women in Policing*

- 8.6.16 The Police Superintendents' Association and the British Association of Women in Policing both argue that any system of performance- or contribution-related pay that is introduced in the police service should be the same for both officers and staff. The Police Superintendents' Association says that officers and staff at the same rank or grade should have an equal chance of receiving pay progression on the basis of personal performance. The British Association of Women in Policing argues that a common approach across the whole police workforce would improve relationships between officers and staff and therefore operational effectiveness.

**Conclusion**

- 8.6.17 The discussion on contribution-related pay in Chapter 8.1 is as relevant to police staff as it is to police officers. This Chapter deals with the following issues for police staff: pay progression; individual performance-related bonuses; team bonuses; policing awards; discretionary bonuses for single pieces of work; and the consistency of approach between officers and staff in relation to contribution-related pay.

*Contribution-related pay progression*

- 8.6.18 My recommendations on contribution-related pay apply equally to police officers and staff, wherever possible. In Part 1, I established the principle of the single police service, under which pay and conditions for officers and staff should, to the greatest extent reasonably practicable, be brought into an appropriate degree of harmony. Contribution-related pay is one of the areas where there should be a single approach for both officers and staff.
- 8.6.19 In many forces, police staff already have performance-related pay progression. The Police Staff Handbook provides for it. I support this approach and recommend its expansion to the whole police staff workforce. As already explained, automatic pay progression on the basis of length of service breeds a culture of entitlement. Pay increases should be earned through increased contribution to the police service. Automatic pay progression is unfair because it rewards those who make a poor contribution, or no contribution at all, as generously as those who make a valuable contribution.
- 8.6.20 As explained in Chapter 8.1, contribution should be a broad-based measure that includes more than just an assessment of performance against objectives. In Chapter 8.2, I recommend that, for police staff and officers, it should also include an assessment of what the officer or staff member in question has done to reach those objectives; professional development (including the acquisition and use of relevant skills); fitness (where appropriate); and attendance.
- 8.6.21 I have recommended that those individuals who receive at least a 'satisfactory' box marking, or equivalent, in their annual appraisals should be rewarded with a single pay increment. Those whose contribution has been assessed as unsatisfactory should stay on the same pay point for a further year.
- 8.6.22 Contribution-related pay progression incentivises staff to make a full contribution and perform effectively. It also creates a fair remuneration system as individuals will be rewarded for how well they work.
- 8.6.23 Contribution-related pay progression relies upon an effective PDR system and managers who are trained in its use. I recommend in Chapter 8.2 the introduction of a revised form of the PDR designed by the NPIA in 2011, to be used for both police staff and officers. I also recommend in Chapter 8.2 that managers are trained to use the new PDR properly.
- 8.6.24 My recommendation that all police staff be subject to contribution-related pay progression will not significantly add to bureaucracy in the police service. Many police staff are already subject to performance-related pay progression. All others should already, at the very least, have annual appraisals in which their performance is assessed. If there is any substantive increase in

bureaucracy, it is justified on the grounds that contribution-related pay progression incentivises staff to work hard and to their greatest potential.

- 8.6.25 This recommendation will be either cost-neutral or create a small saving in pay bill costs, as some individuals who would otherwise have advanced an increment may be held back if their contribution is determined to be insufficient. The purpose of this recommendation is not to make savings, and therefore no estimate of these savings has been made.
- 8.6.26 This recommendation carries a risk that managers will allow conscious or unconscious prejudices to interfere with their decision-making, thereby perhaps leading to adverse consequences for people with protected characteristics. Prospect's consultation submission shows that this is a real risk. I therefore recommend that all police forces use panel moderation to make final decisions on appraisal markings. In addition, I also recommend that forces monitor the results of contribution-related pay to see if there is an adverse impact on any group with protected characteristics under the Equality Act 2010.

#### *Individual and team bonuses*

- 8.6.27 For the reasons given in Chapter 8.1, I recommend that individual bonuses for police staff should be abolished in April 2013.
- 8.6.28 The Part 1 report recommended that chief officers should recognise whole teams, both officers and staff, with team bonus payments. The Home Secretary has accepted that recommendation.

#### *National policing awards*

- 8.6.29 The considerations discussed in Chapter 8.3 in relation to the recommended eligibility of police officers for a new set of national policing awards apply with equal force to police staff. I therefore recommend that police staff are eligible for such awards of the same amounts and on the same basis as police officers.

#### *Chief Constable payments for work of an outstandingly demanding, unpleasant or important nature*

- 8.6.30 Under Determination Annex U, made under Regulation 34 of the Police Regulations 2003, a Chief Constable may award a payment, of between £50 and £500, to a member of his force who has performed a piece of work of an outstandingly demanding, unpleasant or important nature. These payments are qualitatively different from performance-related bonuses, as they are not based on performance targets. I recommend that their use is maintained in the police service, and that police staff are also made eligible for such payments.
- 8.6.31 Officers and staff who have done work which qualifies them for payments of this kind should not be required to fill in a form to apply for the payment. Having reviewed a number of these forms, I regard the process as demeaning for the officer or staff member in question, and in some cases an indictment of management that it should have to be told of these special cases. Managers should know what their staff are doing, and should be especially aware when one of them has done work of this particular nature.

**Recommendation 90 – Contribution-related pay progression should be extended so as to apply to all police staff.**

**Recommendation 91 – Performance-related bonus schemes for police staff, of all grades, should be abolished with effect from April 2013.**

**Recommendation 92 – Chief officer bonuses which are awarded to police officers for performing outstandingly demanding, unpleasant, or important work should be maintained, and police staff in all forces should be eligible to receive these payments on the same terms as officers.**

## 9 Role and Skill-based Pay

One of the eight principles upon which the review has proceeded, established in Part 1, is that people should be paid for what they do, and the skills they have and are applying in their jobs. Part 1 recommended interim measures to achieve this objective in the short term, including the Expertise and Professional Accreditation Allowance (EPAA). In the longer term, the police service should reward the acquisition of accredited skills within basic pay, rather than as an allowance. It should provide the highest reward to individuals who do the most onerous work, who achieve and utilise skills which have the highest importance in policing, and who experience the greatest disruption to their working hours and personal lives.

This Chapter includes recommendations to:

- introduce a £600 *per annum* EPAA for Federated rank officers in the short term and replace this with a long term ‘Specialist Skills Threshold’ within basic pay for accredited skills;
- reward with a £600 *per annum* Public Order Allowance officers who are regularly deployed to the most demanding and critical public order operations;
- allow the Commissioner of the Metropolitan Police to set an allowance for the casual overtime of specialist protection officers;
- harmonise the definition of unsocial hours for police officers and staff; and
- introduce an on-call allowance for Federated ranks.

- 9.0.1 This Chapter contains recommendations for the establishment of long-term arrangements for differentiating pay based on skill acquisition and use. It discusses the high likelihood in some jobs in the police service for officers to work significant overtime and be on-call, and makes recommendations for the harmonisation of overtime and unsocial hours definitions for police officers and staff.

### 9.1 Role and skill-based pay

#### Background

##### *Early officer history*

- 9.1.1 The police service did not have any appreciable skill-based<sup>1</sup> pay until reforms in the early part of the 21<sup>st</sup> century. Reviews by the Desborough Committee in 1920, the Oaksey Committee in 1948, the Royal Commission in 1960 and the Edmund-Davies Committee in 1978 led to there being no differentiation in police pay according to skill. Pay could, however, increase as a result of overtime and an officer’s length of service.

##### *Sheehy 1993*

- 9.1.2 The Sheehy review recommended the abolition of police regulations concerning pay, in favour of a new pay matrix<sup>2</sup>. The proposed matrix, which was effectively a type of job evaluation, was based on a comparative determination of the scope and responsibilities of each job, its specialist requirements, the nature of the policing environment, and the experience, skills and performance of the officer in the job. Sheehy also recommended that each Federated officer be re-graded in accordance with the results of the matrix assessment of his job at the time. Sheehy recognised that in some cases this might lead to a reduction in an officer’s rank or rate of pay.

<sup>1</sup> Skill-based pay is remuneration to which a person is entitled, assessed according to his acquisition and use of specified skills

<sup>2</sup> Sheehy report, page 79

- 9.1.3 Sheehy said that the following factors had a significant influence over the weight of individual jobs within the police service:
- operational responsibilities;
  - support responsibilities;
  - managerial/supervisory responsibilities;
  - manpower levels (the numbers of officers and staff);
  - budgetary responsibility;
  - policing environment;
  - disruption to personal life;
  - working pattern;
  - availability of support;
  - risk of assault;
  - technical skills; and
  - experience and skills required for the job.
- 9.1.4 Sheehy based his recommendations on his conclusion that there was “a tendency ... to claim special status for police officers when this is not justified”, and that an individual police officer’s pay should be brought into line with the “actual work done”<sup>3</sup>.
- 9.1.5 The Police Federation objected to this form of role-based pay<sup>4</sup>. It argued that because a Chief Constable has the power to deploy an officer to any role within his force without the agreement of the officer in question, that officer should not suffer financially if he were to be moved to a job of a lighter weight and therefore, at lower pay.
- 9.1.6 These and other recommendations by Sheehy, if implemented, would have effected very significant changes to the ways in which the police were paid and their relative worth evaluated. There was very significant opposition to them from the police service, particularly the Police Federation. At the time, the Home Secretary’s first priority was to take immediate steps to reduce crime as far and as quickly as possible, and he considered that he could not do so with sufficient success and speed if the police service were demoralised. As a result, most of the Sheehy report’s most radical recommendations – including reforms leading to role-based pay – were not implemented.

#### *Special priority payments 2002*

- 9.1.7 As explained in Part 1, special priority payments (SPPs) were introduced in 2002 for police officers in the Federated ranks. SPPs were designed to compensate an officer who was deployed to a role which:
- carried significantly higher level of responsibility than normal for the rank; or
  - presented particular difficulties in recruitment and retention; or
  - had specially demanding working conditions or working environments<sup>5</sup>.
- 9.1.8 In addition to any local requirements, to be eligible for an SPP, the police officer in question had to have demonstrated that he was fully competent and highly committed to his duties and responsibilities.

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3 Sheehy report, page 4

4 Role-based pay is an appreciable rate of pay that may fluctuate in accordance with the weight and level of responsibility required of a role

5 The arrangements for providing SPPs to officers are set out in Determination Annex U, made under Regulation 34 of the Police Regulations 2003

- 9.1.9 SPPs were originally designed to be targeted at those police officers “in the most demanding and difficult frontline operational roles”<sup>6</sup>, and to give Chief Constables more local flexibility as to how they remunerate their police officer workforce. However, research for Part 1 established that, over time, SPPs were less frequently paid to officers working in frontline roles, such as response, not least because payments were limited to a maximum of 40% of the officers in the police force.
- 9.1.10 SPPs were role-based rather than skills-based payments, and no assessment of the quality of an officer’s skills or contribution was made. Part 1 found that some of the most significant consultees within the police service, including ACPO and the Police Federation, expressed considerable dissatisfaction with SPPs, describing them as inconsistently implemented and divisive. In Part 1, I recommended the abolition of SPPs from 31 August 2011<sup>7</sup>. After deliberations in the PNB and proceedings in the Police Arbitration Tribunal, on 30 January 2012 the Home Secretary agreed to their abolition.

*Police as professionals, 2005 to present*

- 9.1.11 There have been several recent attempts in policing to introduce programmes to incentivise and reward skills. Examples include the Professionalising Investigation Programme (PIP) and public order accreditation, described below. Neither accreditation programme attracts additional remuneration.

*Professionalising Investigation Programme (PIP)*

- 9.1.12 In 2004, NPIA in partnership with ACPO developed the Professionalising Investigation Programme to improve the professional competence of all police officers in jobs which involve the conduct of investigations. The objective of PIP is to set professional requirements against an established structure of ‘national occupational standards’<sup>8</sup> for all levels of investigative officer.
- 9.1.13 PIP accreditation applies to all officers who conduct or manage investigations, and interview suspects, victims and witnesses. PIP covers a wide range of specialisms including drug-related crime, child protection and domestic violence.
- 9.1.14 The majority of detective constables and sergeants working on investigations will be accredited to what is known as ‘PIP Level 2’, with those responsible for managing major investigations at inspector level and above being accredited to Level 3 standard. It is estimated that approximately 30,000<sup>9</sup> Federated officers are in roles that could attract PIP.

*Public order accreditation*

- 9.1.15 In response to recommendations by HMIC<sup>10</sup>, NPIA worked with ACPO to develop national guidance<sup>11</sup> and a training curriculum for the accreditation of all public order officers, along with strategic and tactical commanders. NPIA also manages a database of accredited public order officers<sup>12</sup>, trained to Levels 1 and 2.
- 9.1.16 Most public order officers have other full-time policing roles but are deployed as circumstances demand to operations and incidents requiring public order specialisms. Their deployment may be within the local force area, or to other police forces, by way of mutual aid deployment<sup>13</sup>. Public order deployment may be planned in advance or in immediate response to spontaneous

6 *PNB Circular 03/16*

7 Part 1 report, Recommendation 33

8 Developed jointly by NPIA and Skills for Justice, the national occupational standards are linked to the Professional Policing Framework (PPF); see further [www.skillsforjustice-ppf.com](http://www.skillsforjustice-ppf.com)

9 Based on data from the Home Office Annual Data Requirement, wherein forces divide their workforce into different categories of role

10 *Adapting to Protest: Nurturing the British Policing Model*, Her Majesty’s Inspectorate of Constabulary, London, 2009

11 *Keeping the Peace*, ACPO, Wyboston, 2010

12 Data provided by ACPO and the NPIA in January 2011 indicated that 23,675 officers were trained to these standards

13 See Glossary for a definition of mutual aid

incidents of disorder. The riots in London and other English cities in early August 2011 were examples of incidents that required immediate, large-scale public order responses, drawn from many different forces, on the basis of a shared level of skill.

### *Policing Professional Framework 2011*

- 9.1.17 In 2008, Sir Ronnie Flanagan (formerly Her Majesty’s Chief Inspector of Constabulary and previously Chief Constable of the Police Service of Northern Ireland) remitted NPIA and Skills for Justice to undertake a review of the integrated competency framework (ICF)<sup>14</sup> to test its robustness and suitability. The framework was found to be weak, resulting in the generation of over 37,000 different roles within the police service.
- 9.1.18 To tackle these failings, NPIA and Skills for Justice developed the ‘Policing Professional Framework’ (PPF), the objective of which is to establish a framework of nationally recognised police officer and staff skills.
- 9.1.19 The PPF<sup>15</sup> is a list of profiles of all national officer ranks, and seven police staff grades. The PPF is based on ‘national occupational standards’. It includes criteria in connection with the personal characteristics required of officers for all rank and grade profiles, and the supplemental and specialist skills required for roles where relevant.
- 9.1.20 Rank and grade profiles are defined as follows:
- Executive level – chief officer and staff.
  - Senior manager – chief superintendent, superintendent and police staff senior manager.
  - Middle manager – chief inspector, inspector and police staff middle manager.
  - Supervisory manager – sergeant and police staff supervisor.
  - Practitioner – constable and police staff practitioner (such as PCSO).
- 9.1.21 The PPF also encourages the development of professional skills related to, and utilised by, the relevant role profile. The PPF was introduced in March 2011 and is presently available to all forces<sup>16</sup>. Its use is not compulsory, and Chief Constables are given discretion in that respect.

### *Review of Police Leadership and Training 2011*

- 9.1.22 In August 2010, the Home Secretary commissioned Chief Constable Peter Neyroud to carry out a “fundamental review of the current approach” to police leadership and training. In his report, Mr Neyroud said:
- “Whilst there is a general acceptance that some progress has been made in improving particular elements of the national delivery, such as the Strategic Command Course, Independent Commanders Programme (or ‘Leading Powerful Partnerships’) and Police National Assessment Centre (PNAC), there is a strong view that management and business skills development is still not sufficiently prioritised, that command training is not integrated with leadership training and that there is not an overall, clear, consistent framework”<sup>17</sup>.*
- 9.1.23 Mr Neyroud recommended the establishment of a police professional body, and the development of a “professionalism” model for all police officer ranks. He identified four core areas of police training (operational, specialist, command and leadership) that should be combined with lateral officer development from generalist through to an expert specialism<sup>18</sup>.

14 First introduced in 2001, ICF is a method, still used by some forces, for assessing behavioural standards across the police service when devising role descriptions. ICF is also used as an assessment tool in the performance development review process

15 The interactive website version of the PPF can be found at [www.skillsforjustice-ppf.com](http://www.skillsforjustice-ppf.com)

16 As of November 2011, it is currently in the process of implementation at Hampshire, Bedfordshire, Gwent and Cheshire Constabulary forces (source: Skills for Justice)

17 *Review of Police Leadership and Training*, P. Neyroud, Home Office, London, 2011, page 42

18 *ibid.* page 94

‘Lateral officer development’ means the professional development of an officer in the same rank, that is, without promotion.

- 9.1.24 It should be noted that Mr Neyroud’s terms of reference did not include the question whether professionalising police roles and skills should have a connection with what officers are paid.

*Expertise and Professional Accreditation Allowance (EPAA)*

- 9.1.25 In Part 1, I recommended the creation of an allowance – to be called the Expertise and Professional Accreditation Allowance - of £1,200 *per annum* to be paid to officers in four areas of particular importance to the public and the police service<sup>19</sup>. I also recommended that the functions in question should be prescribed at a national, rather than force, level to avoid unnecessary bureaucracy and complications in the short term. The review estimated that this would apply to as many as 75,000 Federated rank officers at a cost of £90m in the financial year 2012/13. The recommendation did not extend to police staff.
- 9.1.26 In determining which policing functions should qualify for the EPAA, it was necessary to consider the needs of the public and the challenges facing policing and society.
- 9.1.27 Each year, ACPO and NPIA produce the National Strategic Assessment of policing (NSA), which identifies current, emerging and future threats and challenges over the following three years<sup>20</sup>. The 2010 NSA, together with additional discussions with ACPO and the NPIA about their forthcoming 2011 assessment, enabled the Part 1 review to determine that the EPAA should be directed to four types of policing which are likely to be especially important in the near future and which require specialist skills that police forces need to have and maintain. They are:
- investigation;
  - public order;
  - specialist operations (firearms); and
  - neighbourhood policing.

*Decision by the Police Arbitration Tribunal – January 2012*

- 9.1.28 On 26 July 2011, the Official and Staff Sides of the Police Negotiating Board failed to agree on the Part 1 recommendation concerning the EPAA. The recommendation was referred to the Police Arbitration Tribunal, which said:
- “The proposed EPAA was intended to be an interim measure ... the Tribunal [is prompted] to make no award on this recommendation. In the Tribunal’s view, it would be better for the EPAA to be deferred until the Sides are able to give proper consideration to the contents of Part 2 [of the police pay review].*
- “In the Tribunal’s view, the question of additional reward for expertise or time served in specific roles and/or application of accredited skills or qualifications in specific roles is inextricably related to issues to do with the design of a new pay structure, including how the value or relative weight of jobs will be determined. The structural issues surrounding the introduction of this proposal are such that the Tribunal is loath to intervene ahead of the Winsor Report Part 2”<sup>21</sup>.*
- 9.1.29 As explained, the EPAA was intended as an interim measure<sup>22</sup>, to be replaced when a fuller and more sophisticated system of professional accreditation has been established and introduced.

<sup>19</sup> Part 1 report, Recommendation 34

<sup>20</sup> *National Strategic Assessment*, ACPO, London, April 2010, page 6

<sup>21</sup> *ACAS 108/2011-12, Decision of the Police Arbitration Tribunal*, Police Arbitration Tribunal, London, January 2012, page 41

<sup>22</sup> Anticipated to last at least three years from its proposed implementation in September 2011

### *Police Staff*

- 9.1.30 The civilianisation of police roles has become increasingly commonplace in recent years. However, the concept is not a new one. The cost saving potential of placing police staff into roles which do not require warranted powers was already recognised early in the 20<sup>th</sup> century. The Committee on National Expenditure in 1922 reviewed police spending and stated that an increased deployment of police staff would create a “substantial saving”<sup>23</sup>. The Committee said:

*“We found ... 260 [police officers] are employed on clerical duty. We understand that the Commissioner’s policy is to reduce the number of Police so employed and to substitute civilians, and we think that this substitution should be completely effected with the least possible delay. For each Policeman so substituted by a civilian there would be a substantial saving ... We similarly suggest that the 51 Police used as motor car and despatch car drivers, and the 12 Police used as messengers, the 19 used as grooms and the 22 used as Divisional storekeepers should be substituted by civilians, with a consequent substantial saving”<sup>24</sup>.*

### *Evaluation of Police Staff*

- 9.1.31 Job evaluation is the process of ranking jobs against each other according to their complexity and the degree of responsibility carried by their occupants. The method relies on the principle of “like pay for like work within an organisation”<sup>25</sup>. A summary of job evaluation and its different applications provided by Hay Group is reproduced in Appendix 6.
- 9.1.32 In response to a consultation by the Police Staff Council in 2010, 87% of police forces confirmed the use of a type of job evaluation process for police staff<sup>26</sup>. Each post has a range within which the staff member may progress. Only two forces link their job evaluation processes to pay progression<sup>27</sup>.
- 9.1.33 The ACPO pay and reward survey 2010 (described in the Analysis section of this Chapter) found that a small number of forces pay a supplement to police staff working in certain roles that require accreditation, for example human resources, accountancy and information technology. The supplement varies between forces, and may be allocated to different roles<sup>28</sup>.

## **Analysis**

### *Special priority payments to police officers*

- 9.1.34 Part 1 included a recommendation that the SPP regime should be abolished<sup>29</sup>. Despite prescriptive guidance on the types of roles that qualify for payment of SPPs, results from the ACPO pay and reward survey 2010<sup>30</sup> indicated that there were appreciable inconsistencies amongst forces in relation to the types of roles which were determined to be eligible for SPPs<sup>31</sup>.
- 9.1.35 The wide range of officer role titles provided by force data submissions prevented the review, in Part 1, from making direct comparisons of forces’ determinations of which roles were eligible for SPPs. In Part 1, the review was also unable to find alternative data demonstrating a reliable link between officer skills or competence and the payment of SPPs.

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23 *Second Interim Report of Committee on National Expenditure*, Cmnd. 1582, London, 1922, page 61

24 *ibid.* page 61

25 *The Hay Job Evaluation Method*, Hay Group, undated, page 1

26 *Police Staff Council Joint Survey of Job Evaluation and Equal Pay*, London, June 2010, page 63

27 *Analysis of Pay and Reward Practices and Terms and Conditions for Police Officers and Police Staff*, ACPO, London, October 2010, page 6

28 ACPO Part 1 submission, page 23

29 Part 1 report, Recommendation 33

30 *Analysis of Pay and Reward Practices and Terms and Conditions for Police Officers and Police Staff*, ACPO, London, October 2010, page 16

31 *ibid.* page 17

- 9.1.36 Table 9.1 shows that in 2009, in connection with the payment of SPPs, there were appreciable differences in the treatment of men and women, with male officers consistently receiving higher rates of SPP than female officers. The disparity affected all ranks.

**Table 9.1: Average SPP awarded (£) by male and female officers**

Year	Full time			Part time			Overall		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
2005	1,015	1,133	1,114	780	883	789	977	1,132	1,103
2006	1,101	1,258	1,232	792	951	806	1,052	1,257	1,218
2007	1,187	1,275	1,259	872	1,016	884	1,140	1,274	1,247
2008	1,185	1,304	1,282	869	1,016	881	1,137	1,303	1,268

*Source: LGE (2009) survey of Special Priority Payments, payments for exceptional performance, and post-related allowance*

### *ACPO Pay and Reward Survey 2010*

- 9.1.37 In 2010, ACPO consulted forces in England and Wales to ascertain the practices of police forces in connection with pay and reward and the application of comparative terms and conditions for police officers and staff. The results of the consultation were used to analyse the differences in these respects between forces, and the degree to which forces enhanced or varied their local application of nationally agreed terms and conditions.
- 9.1.38 A detailed questionnaire was sent to all forces in England and Wales. The following three tables include survey responses relating to police staff only.
- 9.1.39 In response to the question ‘which job evaluation scheme do you use?’, ACPO received responses from 27 forces, which confirmed the use of nine different types of job evaluation scheme. Two forces were confirmed as having no job evaluation scheme in use<sup>32</sup>.
- 9.1.40 Eleven of the 43 forces had conducted work to identify ‘job families’ within police staff roles<sup>33</sup>. Forces were asked: ‘What is the purpose for implementing job families?’ Table 9.2 contains a brief summary of their answers:

**Table 9.2: Purpose of Implementing Job Family**

	Forces
Pay	2
Aligning learning and development	2
Reorganising reporting structures	2
Re-designing job roles	2
Increasing skilled staff numbers (to support force resilience)	2
Facilitating career progression	2
Aligning/categorising similar job roles	2
Increasing flexibility and mobility of workers	1
Recruitment	1

<sup>32</sup> *ibid.* page 11

<sup>33</sup> ACPO describes ‘job families’ as groups of jobs that are similar in type, or that have similar training, skill, knowledge and expertise requirements

- 9.1.41 Twenty-five forces confirmed that they paid market supplements to people in certain police staff role groups, as provided in Table 9.3.

	<b>Forces</b>
Information Technology	16
Communications	3
Human Resources	2
Finance	4
Press and public relations	0
Occupational health	4
Vehicle technicians	3
Procurement	3
Property/Estates	5
Fingerprints	4
Intelligence	3
Legal	3
Forensics	1
Supplies	1
Training	1
Other	17

### *Thames Valley Police Example*

- 9.1.42 In 2001, Thames Valley Police carried out a narrow-range (or ‘pilot’) review of its pay system involving a small group of police staff. The purpose of the review was to identify ways to improve how the force coped with the competitive pressures in the local job market for staff whom the force wished to recruit and retain. The review was later enlarged to cover 98% of police staff.
- 9.1.43 The following changes were made as a result of the review:
- the removal of the existing pay structure and its replacement with incremental pay change based on average local pay rates for similar roles, and individual performance;
  - the creation of a flexible, market-sensitive system of pay, which consistently pays at least five *per cent* above the general market rate for all jobs within its system;
  - the establishment of a link between the review of the staff member’s individual performance and development, and his level of pay;
  - the establishment of five broad pay bands for most staff jobs, determined and periodically reviewed against corresponding jobs in the market sector in question<sup>34</sup>, including the average level of pay for those jobs (determined by independent market analysis);

<sup>34</sup> Including public sector, information technology or legal, as appropriate

- the evaluation<sup>35</sup> of each individual role, to determine its correct reference<sup>36</sup> point positioning (see Table 9.4);
- the establishment of a pay matrix which links current pay and individual performance, so that incremental increase in pay can be determined; and
- changes to pay across the workforce to reduce the risk of a successful equal pay challenge.

**Table 9.4: Broad band pay structure 1 September 2010 to 31 August 2011 police staff excluding ICT technical staff**

Band	Reference Point	Band Minimum	Max of Band
Band 1	A	£15,636	£19,929
Band 1	B	£16,231	£20,944
Band 1	C	£17,640	£22,932
Band 2	D	£18,893	£23,938
Band 2	E	£19,700	£25,552
Band 3	F	£21,663	£27,448
Band 3	G	£25,150	£32,049
Band 3	H	£26,645	£33,760
Band 4	I	£31,088	£39,390
Band 4	J	£36,013	£45,630
Band 5	K	£41,689	£52,822
Band 5	L	£48,602	£61,581
Band 5	M	£56,805	£71,975

### *Officer and staff role comparisons*

9.1.44 National data show that a large number of policing functions are carried out by a mixture of Federated officers and police staff. Figure 9.1 shows the proportion of police officers, PCSOs and police staff in each of the main policing functions, as declared to the Home Office in forces' Annual Data Returns. Categories in the Annual Data Return that exclusively consist of police officers include:

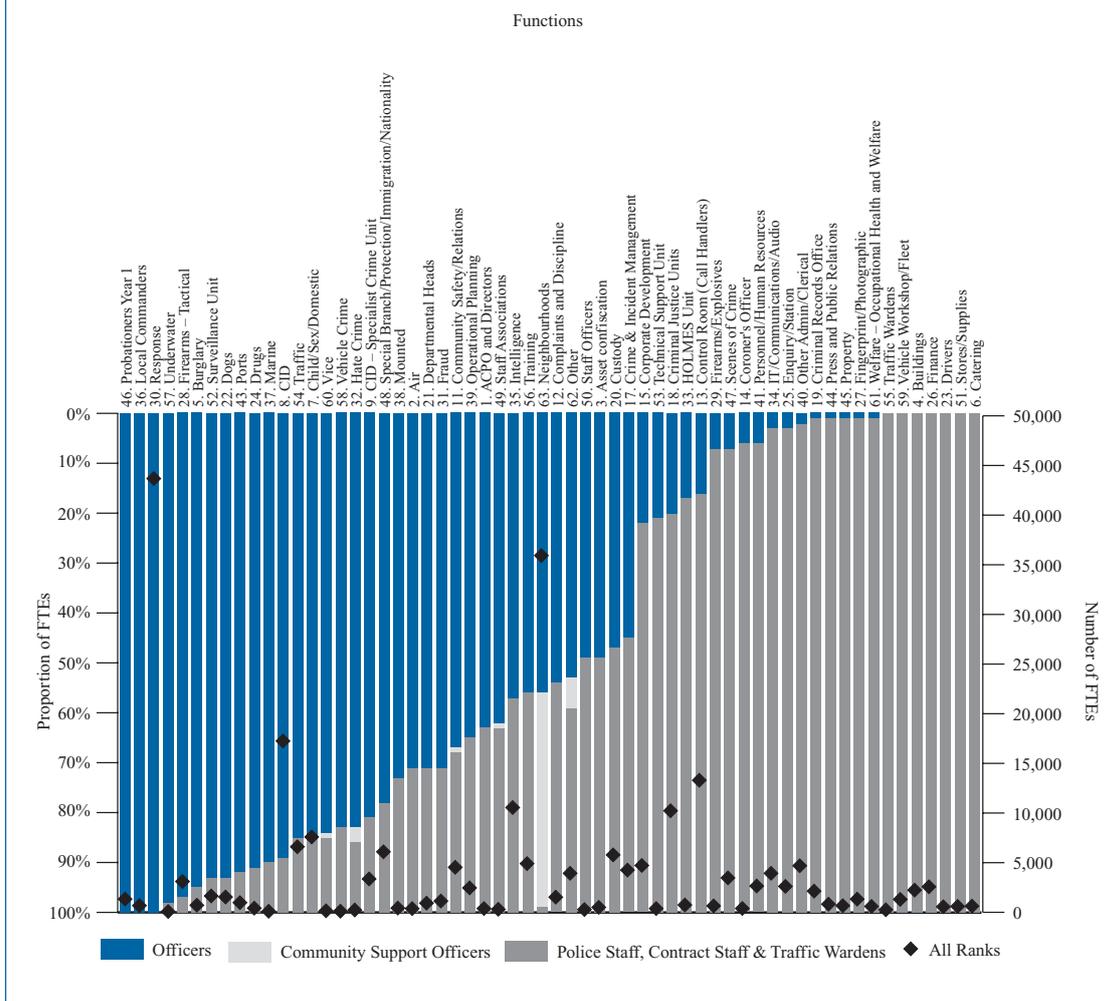
- probationers (year 1);
- local commanders; and
- response.

<sup>35</sup> Job evaluation of individual roles was developed and operated in conjunction with Hay Group

<sup>36</sup> A reference point is a salary figure which, for the purposes of calculating an individual's pay, is defined as the 'average' level of pay applicable to the role being performed. It is the basis from which all pay for that particular role is calculated, and is determined by independent market analysis. Each year, the reference point figure may change, depending on fluctuations in the data from which it has been derived

Figure 9.1

Full Time Equivalents in Functions by Officers/PCSOs/Staff in 2010/11



9.1.45 The data identified some areas of policing which are dominated by Federated officers, even though it is questionable whether the roles in question could require the possession or use of an officer’s warranted powers. An example, as shown in Figure 9.1, is ‘Air<sup>37</sup>’ in which Federated officers represent 71% of the workforce<sup>38</sup> even though this particular line of police work is unlikely to require an officer’s warranted powers or expertise except in the most unusual and infrequent circumstances<sup>39</sup>.

9.1.46 In comparison, functions to the right hand side of Figure 9.1 demonstrate that some police officers are performing what may be classified as support or back office roles (for example, working in policy development, data analysis and control rooms). These are roles that do not require an officer’s warranted powers or expertise. Officers may be working alongside police staff who are doing the same or similar work, but are engaged on very different pay and conditions of employment. One example of a back office role is corporate development, in which Federated officers make up 22% of the workforce<sup>40</sup>.

37 Primarily helicopter-based air support. Air support functions include suspect and missing person searches, vehicle pursuits, photographic tasks, specialist transport and area identification/containment services to support ground resources (for example firearms and public order)

38 266 Federated officers

39 There have been some occasions when a police helicopter monitoring pursuit of a suspect has landed nearby and the air crew in question have effected the arrest

40 1,038 Federated officers

9.1.47 A selection of the data in Figure 9.1 is reproduced in Table 9.5 below to show more clearly the percentage of officers working in those functions that contain a mixture of officers and staff.

<b>Table 9.5: 2010/11 Annual Data Return policing functions that include 10-75%<sup>41</sup> Federated officers</b>		
<b>Policing function</b>	<b>Total workforce (FTE)</b>	<b>Percentage that are officers</b>
Mounted <sup>42</sup>	427	73%
Air	375	71%
Departmental heads	923	71%
Fraud investigation	1,138	71%
Community safety and community relations	4,533	67%
Operational planning	2,460	65%
Officers of ACPO rank and their police staff equivalents <sup>43</sup>	378	63%
Staff associations	303	62%
Intelligence	10,550	57%
Training	4,904	56%
Neighbourhood policing	35,927	56%
Complaints and discipline	1,527	54%
Other	3,926	53%
Staff officers	276	49%
Asset confiscation	501	49%
Custody	5,782	47%
Crime and incident management	4,251	45%
Corporate development	4,721	22%
Technical support unit <sup>44</sup>	382	21%
Criminal justice unit	10,229	20%
Control room (call handlers)	13,301	16%

#### *Alternative – National Health Service*

9.1.48 In assessing what should be the future of role-based pay for officers and staff, it is important to consider existing alternatives.

9.1.49 By the late 1990s, one third of NHS staff had been transferred to local employment contracts at the point of recruitment or promotion. The remaining two-thirds were engaged under pre-existing national contracts, in respect of which annual pay scales were negotiated according to specific

41 The table does not include police work that is done almost exclusively by police officers (such as firearms and response), or by police staff (such as catering)

42 Each of these policing functions is defined by the Home Office Annual Data Return, which is produced each July

43 A definition of ACPO rank and police staff equivalents can be found in the Glossary section of this report

44 Provides assistance to users of technology products such as mobile telephones, computers, software products or other electrical and mechanical police support tools

job types (for example, ambulance staff and clerical staff). The systems were complex, allowing numerous inequalities between staff of equal grade or status to occur. The potential for numerous and substantial legal challenges on equal pay grounds constituted a significant financial risk.

- 9.1.50 Career and pay progression for all employees in the National Health Service is now provided for by the Agenda for Change agreement<sup>45</sup>. The new regime took effect in 2004. Its purpose was to simplify what had become a complex, bureaucratic and potentially discriminatory pay system in the NHS. In particular, it was designed to:
- provide staff with clarity as to the skills and knowledge required in specific roles;
  - provide access to the most appropriate opportunities for training and career development;
  - increase NHS workers' appreciation of how their jobs relate to others', and to the overall purposes and objectives of the NHS; and
  - provide an improved regime of professional development<sup>46</sup>.
- 9.1.51 The implementation of the reforms provided for in the Agenda for Change programme began in 2004. This programme cost £1 billion in its first year.
- 9.1.52 It should be noted that the cost implications of the Agenda for Change programme were primarily accounted for by the breadth of its coverage and the means of its implementation. These involved negotiations with 17 trade unions, and the redefinition and re-grading of roles performed by 1.2 million NHS staff<sup>47</sup>.
- 9.1.53 One of the important features of the Agenda for Change programme is what it calls the 'knowledge and skills framework'. This specifies the knowledge and skills that staff need to do their jobs well. The framework consists of 30 'skill areas', six of which are common to all jobs in the NHS. The six are:
- communication;
  - personal and people development;
  - service improvement;
  - quality standards;
  - health and safety; and
  - equality and diversity.
- 9.1.54 The remaining 24 skills are grouped according to what are described as 'themes', namely health and wellbeing; information and knowledge; facilities and estates; and others. Each theme carries an equal value and consists of four levels of achievement, according to which an individual's pay progression is determined. These are measured according to national occupational standards, national service standards (NSS) or professional body standards (PBS)<sup>48</sup>. The NHS also provides staff with educational opportunities which are linked to their personal development planning.

#### *Alternative – Teachers' Skills Threshold*

- 9.1.55 As discussed in Chapter 7, the Training and Development Agency for Schools (TDA) implemented a new 'skills threshold framework' for teachers in England in 2007. The framework, which forms part of a wider framework for the entire schools workforce<sup>49</sup>, defines the professional standards for teachers at each stage of their careers. The framework directly

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45 The Agenda for Change agreement is a single contract encompassing all NHS staff, with the exception of doctors, dentists and very senior managers. Pay rates are negotiated separately (source: Director of Agenda for Change)

46 *Linking the Knowledge and Skills Framework to CPD*, L. Neville, Nursing Times, Volume 102, Issue 32, 2006, page 36

47 Approximately three times the total number of Federated officers and police staff

48 *Linking the Knowledge and Skills Framework to CPD*, L. Neville, Nursing Times, Volume 102, Issue 32, 2006, page 36

49 *Professional Standards for Teachers: Why Sit Still in Your Career?* Training and Development Agency for Schools, London, 2007, page 2

links the acquisition of skills valued by the teaching profession, to a teacher's eligibility for higher rates of pay.

- 9.1.56 The TDA describes professional standards as “statements of a teacher’s professional attributes, professional knowledge and understanding, and professional skills. They provide clarity of the expectation at each career stage”<sup>50</sup>. To attain each successive career stage, a teacher must demonstrate that he has the necessary accreditation and knowledge to meet the required standard for that stage.
- 9.1.57 The professional standards for teachers are listed below. Successful accreditation in each of these standards results in a teacher receiving more pay as part of the skills thresholds framework. By way of illustration, the maximum basic salary for a teacher in England and Wales from September 2011 is provided for each skills threshold:
- QTS (£25,016 whilst unqualified) – The award of qualified teacher status – newly qualified teachers in their first year of service.
  - Core (£31,552) – Teachers who have successfully passed the first year induction phase of their career.
  - Post-Threshold (£36,756) – The start of the ‘upper’ pay scale, accessed by passing the skills threshold. Teachers in receipt of higher rates of pay, based on their contributions outside the classroom (such as implementation of new policy frameworks or mentoring other teachers).
  - Excellent (£52,090) – Teachers considered to be ‘excellent’ based on their extensive knowledge of valuable teaching areas, or their significant contributions towards the implementation of new policies.
  - Advanced Skills Teacher (£56,950) – Teachers considered to have ‘advanced’ skills, and who take on strategic leadership roles in the development of teaching policy and practices.
- 9.1.58 As a teacher progresses to a higher threshold level, he is expected to maintain the accreditation, knowledge and skills gained at the lower threshold, in addition to demonstrating his acquisition of the accreditation, knowledge and skills of the higher threshold point.
- 9.1.59 The purpose of the teachers’ skills threshold framework is to assist teachers in identifying their professional development needs. Whilst not all teachers will necessarily wish to progress to all threshold points, the implementation of progressive professional standards allows teachers to identify ways of broadening and deepening their skills in ways that are beneficial to their schools and the teaching profession<sup>51</sup>.

## Consultation

### *Response by the Association of Chief Police Officers*

- 9.1.60 ACPO is in favour of what it describes as a “harmonised employment framework” based on police officers and staff being paid for the work they do, the skills they have developed and which are used in their jobs, and the weights of those jobs. ACPO says:

*“policing is a vocation and [most] police officers and staff do not choose roles or specialisms based on financial reward. ACPO strongly believes that remuneration based on ‘time-served’ is unfair, inefficient and incompatible with the profession of policing. ACPO believes that a system based on the level of skill, contribution and professional development should be introduced. ACPO does recognise the significant challenges that this would generate in terms of policing culture, leadership and supervision, but believes this key area of reform is justified and necessary”<sup>52</sup>.*

<sup>50</sup> *Professional Standards for Teachers in England from September 2007*, Training and Development Agency for Schools, London, 2007, page 1

<sup>51</sup> *Professional Standards for Teachers: Why Sit Still in Your Career?* Training and Development Agency for Schools, London, 2007, page 3

<sup>52</sup> ACPO Part 1 submission, page 24

- 9.1.61 Whilst it supports the principle of role assessment to ensure that roles are graded appropriately<sup>53</sup>, ACPO has expressed concern about the potential risks associated with creating a large administrative function in the police service to carry out the assessment of the weights of jobs, and the possibility that equal pay claims may follow inconsistency or faults in any job evaluation exercise. ACPO has also expressed reservations about the potential that paying officers differently according to their jobs may adversely affect forces' ability to deploy officers according to need.
- 9.1.62 ACPO argues that the present rank structure for police officers should be retained. It said that it "has historically provided a strong operational and command capability for the service and therefore should be protected and form the basis of any system of job assessment"<sup>54</sup>.
- 9.1.63 In its later submission on skills based pay, ACPO draws attention to the increase in overhead costs to forces arising from mistakes made by police officers and staff because they are not sufficiently skilled<sup>55</sup>:

*"Policing is becoming increasingly more complex, expectations of the service are higher than ever whilst budgets are diminishing. Poor quality work creates a significant overhead for policing manifest in multiple layers of checking and supervision, additional rework and failure demand. Payment differentials for role/expertise would enhance status and job satisfaction at a time when promotion opportunities are lacking and would incentivise staff to produce work of a higher quality, driving down the overhead costs described above ..."*

*"... the service should require a higher generic knowledge base, from the point of entry and beyond, underpinned by a framework of continuous development linked to accreditation (both academic and service standards) and pay, thereby replacing the traditional time-served incremental pay structure. The criteria for reward need to be clearly specified and more demanding than just satisfactory performance, in role, over time"<sup>56</sup>.*

- 9.1.64 Chief Constable Peter Fahy, the ACPO lead for workforce development, explains that professional development in policing is presently underpinned by:
- the Policing Professional Framework (PPF)<sup>57</sup>, to which recruitment, selection and promotion systems in the police service are aligned; and
  - the Authorised Professional Practice (APP)<sup>58</sup>, a set of professional practice standards developed by the police service for use in training and development of police officers and staff.
- 9.1.65 ACPO told the review that improvements to the present systems of pay for police officers and staff are needed, and that the objective of increasing professionalism in the police will be facilitated by the use and development of the existing programmes such as the PPF and the APP. ACPO said:

*"the concepts of "expertise" and "contribution" need to be defined and enshrined within a clear Professional Development Framework which will be owned and determined by the future [police] Professional Body"<sup>59</sup>.*

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53 *ibid.* page 26

54 ACPO submission, page 26

55 *Submission from Chief Constable Peter Fahy, ACPO Business Area Lead for Workforce Development*, December 2011, page 1

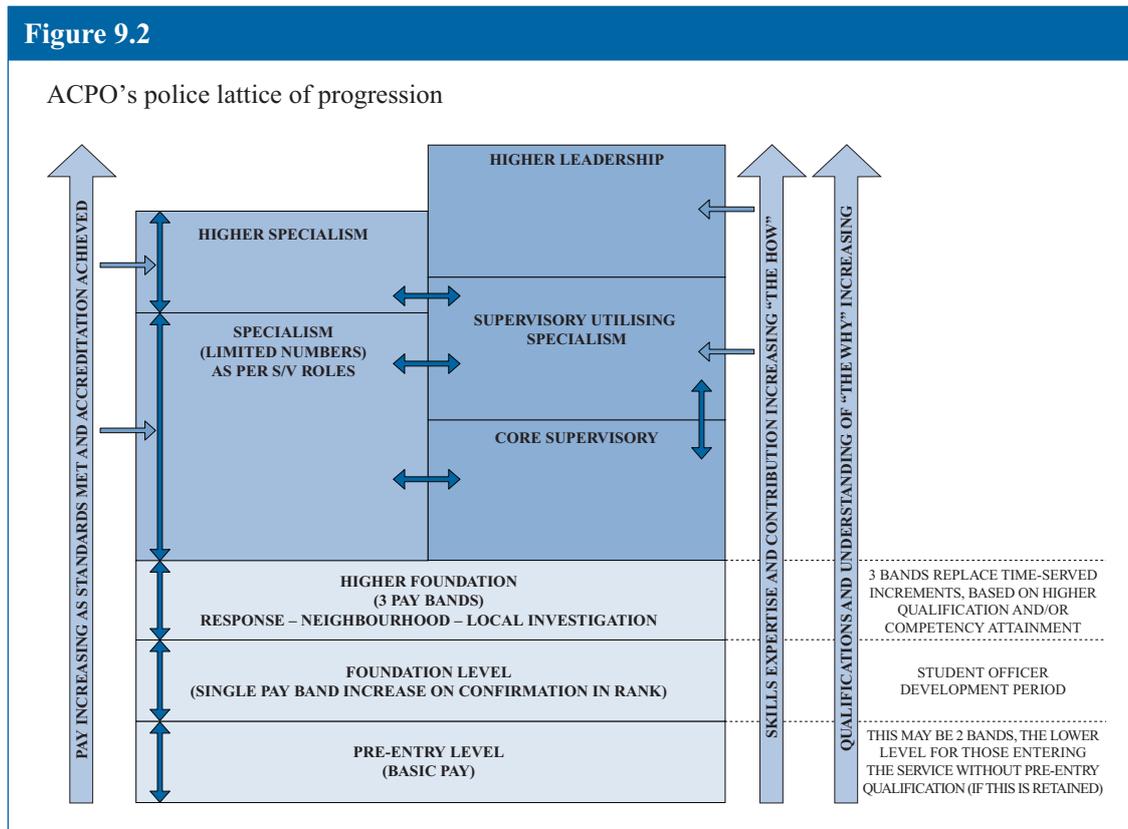
56 *ibid.* page 1

57 Developed by Skills for Justice and the NPJA. Further information on PPF is provided earlier in this Chapter

58 Developed by the NPJA on behalf of ACPO; the APP consolidates all authorised policing knowledge products, into a series of online modules. The modules are divided into (a) recurring activities common to policing; and (b) specific, often high risk areas of policing requiring consistent response, interoperability and alignment with the Strategic Policing Requirement. The sustainability of APP derives from its modules, which can be continuously updated to reflect changing service requirements (source: *ACPO Cabinet Paper on APP*, ACPO, London, 8 June 2011, page 6)

59 *Submission by Chief Constable Peter Fahy, ACPO Business Area Lead for Workforce Development*, December 2011, page 2

- 9.1.66 ACPO proposes what it describes as a “lattice of progression”<sup>60</sup> model for police officers, which is depicted in Figure 9.2 below. The model allows officers to move up, down and laterally in rank and remuneration, either through the promotion system or by the acquisition and use of specialist and accredited skills.



- 9.1.67 ACPO explains the model as follows:

*“an officer may move from a specialist role attracting higher pay to a generic core supervisor’s role attracting less pay as a means of obtaining supervisory experience, which may ultimately allow them to attain a supervisor’s role in which a specialist skill is utilised, thus putting them on an even higher rate.*

*“Some supervisors in specialist units may, however, have a purely supervisory role without the need to utilise a specialist skill themselves and so could be earning less than their direct reports. The double ended arrows in the Annexes indicate the potential for movement across and into the lattice, showing the possibility of direct entry where the entry standard is met”<sup>61</sup>.*

- 9.1.68 Whilst ACPO is not in favour of a full job evaluation programme for police officers, its model does contemplate a measure of such evaluation. However, ACPO argues that “the emphasis should be on simple, common pay scales with additions only in exceptional circumstances”<sup>62</sup>.

- 9.1.69 ACPO also proposes a model of how:

*“the selection, curriculum, assessment and qualifications within the Professional Development Framework might be mapped along with the initial steps that might be taken to develop the detail of pathways and structures that would be available under the proposed framework”<sup>63</sup>.*

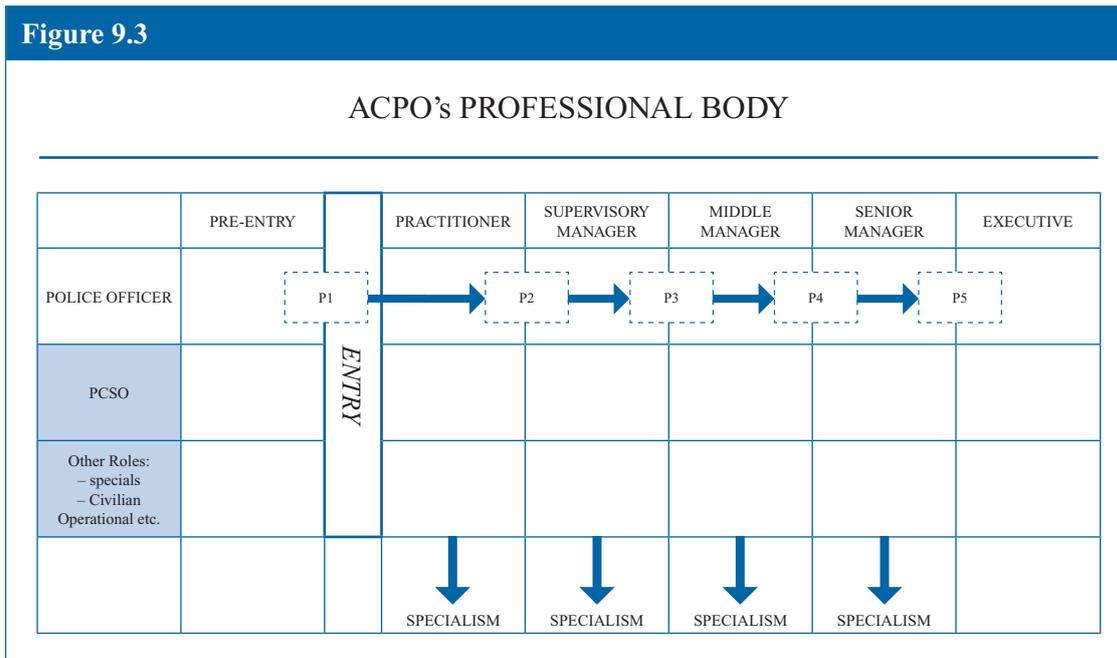
60 *ibid.* page 2

61 *ibid.* page 4

62 *ibid.* page 4

63 *ibid.* Annex 4

9.1.70 Accreditation would be managed by the Police Professional Body, as illustrated in Figure 9.3 below.



9.1.71 Each progression point, illustrated as ‘P1’ to ‘P5’, represents what are described as ‘major career progression point’. Within those stages, the model contains further ‘minor progression points’ which are stages towards the major ones; their achievement is intended to provide officers and staff with an interim measurement of their progress. ACPO’s professional development framework model applies to all police officer roles and staff roles which include an operational policing element.

*Response by the Association of Police Authorities*

9.1.72 The Association of Police Authorities (APA) differs from ACPO in its overall view of how role-based pay should be assessed. Rather than maintain the national scales of pay in police regulations and the locally-based staff contractual system, the APA argues that the entire police workforce should be paid in accordance with a nationally prescribed role-based structure<sup>64</sup>, that is, a form of job evaluation that compares officers and staff roles.

9.1.73 The APA asserts that the present pay systems for officers and staff are inadequate and inhibit professional growth and development by limiting opportunities. In this respect, it says:

*“Various allowances, overtime and performance pay benefits aside, presently, the only way for police officers to increase their basic pay is to take promotion. Conversely, police staff must change roles altogether”<sup>65</sup>.*

9.1.74 The APA proposes a new role-based pay model which can be used for both police officers and staff, and allows for the use and acquisition of skills, and their equitable remuneration. A job evaluation regime is at the heart of the APA’s pay model. The model relies upon an assessment and grouping of all policing roles in accordance with nationally specified criteria.

*Responses by police forces and authorities*

9.1.75 The Metropolitan Police Service (MPS) is in favour of a skill-based pay system that rewards continuous development “and links pay and career progression to the acquisition and deployment of knowledge, skills and experience”<sup>66</sup>.

64 Job evaluation

65 APA submission, page 11

66 Submission from Metropolitan Police Service, October 2011, page 2

- 9.1.76 The Metropolitan Police Authority (MPA) raises the lack of opportunity available to police officers for career advancement without the need to be promoted in rank. The MPA says<sup>67</sup> that it is necessary for consideration to be given to the following factors or propositions:
- not all police officers will have a full 35-year career;
  - the present system of career-managing only those police officers on accelerated promotion schemes is inadequate, and career management should apply to all officers; and
  - there should be greater opportunities available to develop specialist policing roles and reward those doing those jobs.
- 9.1.77 In response to the question whether an individual's role-based contribution should affect his progression up the pay scale, the MPA says that it:

*"...wants to see a reward system which encourages and supports skills development. For example, linking progression to the attainment and application of accredited skills. Further work on this area could therefore include consideration of what skills are required for 21<sup>st</sup> century policing and how are they obtained and maintained. In addition, pay should reflect more appropriately the particular roles undertaken by officers and staff. For example, is there scope within a pay scale or rank to reflect different levels of responsibility such as mentoring a group of police constables as a police constable"*<sup>68</sup>.

*"In essence this means moving away from an assumption that all police officers are omni competent to an assumption that they have a range of particular strengths which should be harnessed and channelled into specific career pathways"*<sup>69</sup>.

- 9.1.78 The MPA provides the following examples of policing roles in which the acquisition and deployment of role-related skills could be rewarded:
- crime investigation (CID/specialist crime);
  - professional services (resources, property, information technology, procurement);
  - leadership;
  - local policing services; and
  - safety and operational support.

#### *Response by the Police Federation of England and Wales*

- 9.1.79 The Police Federation said that there "may be scope" to reflect in the pay structure the acquisition of skills, provided there has first been a sound evaluation of the jobs in question<sup>70</sup>. But it has reservations. It said:

*"The PFEW has concerns about role related pay and its impact on policing as it could restrict current levels of flexibility. However, if pay is to be linked to role, then this would require a robust job evaluation scheme which was relatively generic in nature essentially on a rank basis in order to retain maximum flexibility for the deployment of officers"*<sup>71</sup>.

*"... any pay structure which was linked to role would require a detailed job evaluation that would need to be highly customised due to the unique nature of the police service. Doing this properly would be an extremely complex and lengthy process. It would require substantial investment, both financial and in terms of time and personnel from staff associations and forces would need to negotiate role profiles for all key roles in*

<sup>67</sup> Submission from Metropolitan Police Authority, September 2011, page 2

<sup>68</sup> *ibid.* page 11

<sup>69</sup> *ibid.* page 14

<sup>70</sup> Police Federation submission, page 5

<sup>71</sup> *ibid.* page 5

*the service mapped to nationally agreed factors. Experience in other sectors shows this may take some time if it is to be done properly*<sup>72</sup>.

*“... there will be a need for equality-proofing of the scheme, transparency of criteria and regular monitoring of outcomes, to ensure discrimination is not inherent in the system nor in its implementation”*<sup>73</sup>.

*“Participants [in focus groups organised on behalf of the Police Federation] stressed the importance of maintaining a culture in policing which encouraged co-operation, while role-related pay was seen as divisive”*<sup>74</sup>.

*“... the [Police Federation] believes that a relatively generic scheme [of role-based pay] applied to generic job information, essentially on a rank basis in order to retain maximum flexibility and avoid the potential divisiveness among police officers ... could be appropriate”*<sup>75</sup>.

### *Response by UNISON*

- 9.1.80 UNISON supports the principle of skills-based pay and job evaluation:

*“We are willing to look at the possibility of a link between skills/competence and pay in the context of a skills framework for our members.*

*“Role based pay is job evaluation by another name and is supported by UNISON as the only way to ensure an equality proofed outcome to pay systems, either at force level, or in our preferred model – a national pay and grading system for all police staff in England and Wales”*<sup>76</sup>.

### *Seminars*

- 9.1.81 On 27 July 2011, the review held a seminar on the performance and post-related pay. At the seminar, Chief Constable Whatton of Cheshire Constabulary said:

*“... the big concern that we have as chief officers is how we recognise the contribution that people make to the organisation ... Just by time served in taking things forward does not take account of the expertise and experience that people have. I think that there are real opportunities to bring in some of the evidence of continuous professional development to see how that can contribute to the service that we are giving to the public and to recognise that commitment.”*

*“It also gives an opportunity to increase the onus upon people to take responsibility for their own development as well as just waiting for something to be delivered by the organisation. There are lots of bright people who do take those opportunities themselves, but it would give more of a structure in which that could take place and in which it could be recognised”*<sup>77</sup>.

*“With police staff ... there are real difficulties not only in meeting organisational needs but also in creating a system where you give people opportunities to develop and improve their contribution to the service. Some of those things can be tied down by an inflexible pay structure”*<sup>78</sup>.

- 9.1.82 Chief Constable Whatton also raised the question of how role-related pay should be rewarded, whether by an increase in pay or by a period-based allowance:

*“One of the comments was around whether it is role-related pay or role-related allowances. I think we need far more flexibility around role-related allowances. There*

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72 *ibid.* page 42

73 *ibid.* page 6

74 *ibid.* page 43

75 *ibid.* page 45

76 *ibid.* page 4

77 Post-related pay seminar (2011), page 5

78 *ibid.* page 7

*would be an opportunity to manage that forward and depending on how long you were being moved out, you would still get the higher level of pay for a short period of time if it was for the benefit of the organisation rather than for the benefit of the individual”<sup>79</sup>.*

9.1.83 Ms Marion Fanthorpe, Director of Human Resources at Sussex Police, said:

*“I think our challenge is to get some level of transferability between roles, both for officers and police staff. We should have a clearer focus on what the requirements of a role are. We have to accept that, in some circumstances, you have to select to that role rather than to a general rank”<sup>80</sup>.*

9.1.84 Mr Steve Corkerton of HMIC said that the police service should strike a balance between rewarding the skills and expertise gained during front line deployment, and recognising the valuable contribution made by many non-front line roles:

*“I can see that there is a good case for saying that we want to reward people more highly who are on the front line delivering for the public. However, there are times when you want to put people who are extremely good at delivering for the public into your training function. How do we deal with that? If we base it on role-based, we tend to put at a premium the front-facing roles”<sup>81</sup>.*

## Conclusion

9.1.85 One of the principles on which this review has proceeded is that the highest pay should be directed at those who undertake the most demanding roles and use critical skills. It is apparent from the review’s consultation that some in the police service believe the time has come for the pay system to abandon what is seen by many to be an anachronistic principle of ‘reward for time served’. Some Chief Constables and staff associations wish to adopt a fairer and more transparent system of pay and reward for police officers and staff, reflecting the work which is done and not only the rank held or years served. Three of the principal approaches for paying more for the hardest jobs and the highest skills are:

- through an allowance paid in addition to an individual’s basic pay;
- as part of a system of job evaluation under which an individual’s pay is determined by the weight of the job he does; and
- as part of a skills threshold within basic pay that allows all individuals the opportunity to increase their pay if they can demonstrate sufficient skill.

### *Expertise and Professional Accreditation Allowance (EPAA)*

9.1.86 In Part 1, I recommended the establishment of the Expertise and Professional Accreditation Allowance (EPAA). Its purpose is to provide an equitable method of rewarding police officers who have skills which they employ in work of particular importance to the public and the police service. It was proposed as an interim measure, to be reconsidered in Part 2 and, depending on the outcome of further analysis and what has been said in consultation, possibly replaced. The EPAA was also designed to alleviate the financial effects of other Part 1 recommendations for those officers in the short term.

9.1.87 An appreciable proportion of consultees were firmly in favour of higher pay for officers with additional and valuable skills which they use in their jobs. The Part 1 recommendation<sup>82</sup> was for the EPAA to take effect from September 2011, at a rate of £1,200 *per annum*.

9.1.88 The interim nature of the EPAA led the Police Arbitration Tribunal (PAT) to decide that it should not be introduced. Instead, the PAT decided that its consideration of the EPAA should be deferred until Part 2 of this review was published, so that my recommendations could be

<sup>79</sup> *ibid.* page 96

<sup>80</sup> *ibid.* page 24

<sup>81</sup> *ibid.* page 24

<sup>82</sup> Part 1 report, Recommendation 34

placed in the context of a wider consideration of the applicability of role-based pay in the police service.

- 9.1.89 Following consideration of the arguments made by both the official and staff sides in the proceedings in the Police Arbitration Tribunal, and the PAT's award, I remain of the view that the EPAA should be established. The compelling reasons for its adoption have not waned since publication of Part 1. Police officers and staff should be encouraged to work and develop their areas of expertise in ways that benefit the police service and the public. Recognising in pay the skills and professional development an individual has undertaken is part of acknowledging his contribution to the police service. In a service as complex as policing, operating a pay model which fully recognises skills in all their variety would require a formal framework. Whilst initial steps have been taken to achieve professional development models for skilled careers within policing, such as PIP and public order, models do not yet exist in other skilled areas of the police service, such as emergency response and neighbourhood policing.
- 9.1.90 The development of a longer-term model that recognises and rewards the skilled contributions made by police officers and staff would require professional development opportunities to be available at all levels and allocated on a fair and transparent basis. This will take time. The establishment of the Police Professional Body, and the development of a skills framework, is unlikely to occur rapidly. This is therefore a matter for the longer term. In the short term, the public and the police service will benefit considerably from a new pay regime which recognises and rewards skills through the EPAA.
- 9.1.91 Implementation of the PAT award involves substantial reductions in the total savings recommended in Part 1, most notably in payments for overtime, the extent of the progression savings and the retention of CRTPs. In the light of these reductions in savings, it is no longer affordable to recommend the EPAA at the same amount *per* officer as was recommended in Part 1. It would, of course, also be inappropriate to recommend that a lower rate of EPAA is backdated to September 2011, which was the recommended implementation date in Part 1.
- 9.1.92 I recommend, therefore, that the EPAA allowance be set at £600 *per annum*. This amount has been determined to ensure that the national cost of the EPAA is substantially lower than the corresponding removal of the CRTP. Police force budgets are under considerable strain and it would be imprudent to recommend an amount that would be an additional cost for them. If the EPAA is to provide any financial respite for officers whose pay is likely to be adversely affected by implementation of the Part 1 recommendations, it is important that the EPAA is introduced as soon as possible. For that reason, I recommend that the EPAA takes effect at the lower rate of £600 *per annum* as outlined in Part 1 from April 2013.
- 9.1.93 As explained, the EPAA was designed as an interim measure for rewarding skill. For the longer term, I have carefully considered the question whether it is feasible and desirable to introduce job evaluation for police officers. Such a system would meet one of the review's principles, namely that an officer should be paid for what he does, the skills he has and is applying in his work, and the weight of the job that he does.

### *Job Evaluation*

- 9.1.94 The nature of the office of constable, in particular the susceptibility of a constable to be deployed as a chief officer may decide, creates a difficulty for the pay system, particularly in the case of police officers who discharge several different functions. In many smaller forces, police officers may be deployed, without their consent, to roles that are not eligible for higher rates of pay afforded through the job evaluation process. For example, an officer with critical incident management experience may be deployed, for a short period, to a management role in the control room. One reason for his deployment may be to ensure that the control centre has an experienced interim commander<sup>83</sup> to take initial command of a spontaneously occurring incident, should one occur.

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<sup>83</sup> The interim commander provides initial Silver Commander duties during a spontaneous incident, until such time as the dedicated Silver Commander is appointed

- 9.1.95 Alternatively, specialist or otherwise skilled officers may be periodically deployed through mutual aid or collaborative agreements, either to neighbouring forces for an indeterminate period of time, or as was seen during the August 2011 riots, to major incidents for shorter periods of time. Such *ad hoc* situations could not be adequately catered for in a job evaluation system.
- 9.1.96 The creation and management of a fair and unbiased job evaluation system for police officers, that supports the flexibility of discretionary deployment, is likely to overburden human resources systems because it would be reliant upon officers and managers submitting claims for each event and for them to be processed. This is particularly true in smaller forces that are presently trying to reduce complexity and bureaucracy and their associated costs.
- 9.1.97 Policing priorities change over time, and the needs for different skills change with them. The creation and implementation of an effective job evaluation system, which weighs and calculates risk, complexity and responsibilities of roles against each other, could result in the appropriate evaluation in the short term only. Changes in circumstances may require reorganisations which require re-evaluation of policing roles, rendering the earlier job evaluation redundant.
- 9.1.98 Finally, in the case of collaborating forces where teamwork and flexibility are important components of effective policing, there is a risk that implementation of a job evaluation scheme will cause some roles to be perceived as less valuable or less desirable. This could cause difficulties in recruiting officers to these posts.
- 9.1.99 The implementation of the Professional Policing Framework (PPF) and Authorised Professional Practice (APP) provides greater opportunities to consolidate and evaluate all police staff roles within ‘job families’ which are most appropriately suited to local conditions, and helps forces to apply consistent rates of pay for police staff, based on other roles within the force with comparable levels of complexity and responsibility. Whilst it might appear desirable to rank every police officer’s role against others according to their relative complexities and degrees of responsibility, the potential for a lack of operational flexibility, excessive bureaucracy and increased cost is too high. Another method is needed to differentiate between and reward specialist skills.

### *New model*

- 9.1.100 Policing today is far from the relatively simple occupation it was many years ago. The sophistication, intelligence and resources of some who are engaged in crime, the malignancy of their motives and methods, and the technology available to all citizens, mean that the profession of policing will continue to require people of the highest integrity, intelligence and skill. The needs of the police service for such qualities are intensified by the complexity and weight of the modern criminal law, and the demands and expectations of the public and other agencies of the state.
- 9.1.101 For these reasons, it is important that police officers with skills which are of importance in modern policing are rewarded appropriately for their development and use.
- 9.1.102 As explained earlier in this Chapter, Part 1 recommended the creation of the EPAA as an interim measure, and I have made a fresh recommendation that it should be established, albeit at a lower rate. In Part 1, I said that a longer-term measure, to replace the EPAA, would be considered. The Police Arbitration Tribunal recommended the deferral of consideration of the EPAA until work in that respect has been completed. That work has now been done.
- 9.1.103 ACPO and other interested parties expressed considerable support for the proposition that expertise and professional accreditation should become a significant part of the careers of police officers and staff. If the police service is to achieve and benefit from the considerable advantages which will come from fundamental reform that places skills and professionalisation, and their use, at the heart of its ethos, it is appropriate that the remuneration of expertise and professional accreditation is an integral part of officers’ pay, and becomes pensionable. In other public sector pay scales, such an objective has been implemented through the introduction of thresholds in pay scales, most notably for teachers

and healthcare workers. Higher skill in a police officer should be an objective of all, rather than something which is regarded as an optional addition which some police officers may complacently choose not to try to acquire.

#### *Foundation Skills Threshold*

- 9.1.104 Every police officer must possess and maintain professional skills appropriate to the rank he holds and the work he does, or may be required to do. It is therefore appropriate that constables who have not yet reached the top of the pay scale are required to be adequately knowledgeable and skilful in the necessary areas of policing.
- 9.1.105 The amount of training in some of the essential skills of a police officer which is imparted in basic training is adequate for officers in their earliest years in the service. However, it is necessary and in the public interest in the efficient prevention, detection and prosecution of crime that all officers maintain and improve their competence during their service.
- 9.1.106 That competence includes knowledge and understanding of the fundamentals and essential details of the criminal law, including the rules of evidence and procedure, the constitutional position of the police, including their accountability, and the rights of witnesses, victims and suspects, and other citizens. Police officers need a better understanding of the importance and relevance of their parts in the criminal justice system. They need to have a sound appreciation of how their actions and what they have written and recorded will be examined and may be challenged in court. They need the ability to understand, anticipate and predict the course of a prosecution so that avoidable mistakes are not made in the earliest stages of a criminal case.
- 9.1.107 With greater competence in these and other essential aspects of policing will come greater confidence of officers and so their increased efficiency and effectiveness. Their work will be of a higher quality and will need less supervision. As a result, the integrity of criminal cases, their prospects of proceeding in the hands of the Crown Prosecution Service, and the chances of a successful and just conviction, or a plea of guilty to an appropriate charge, will improve markedly.
- 9.1.108 These skills are necessary for all police officers. However, at present, after basic training, constables receive no appreciable, disciplined training in these matters. As almost all police officers begin and end their careers as constables, this is unsustainable.
- 9.1.109 For these reasons, I recommend that there is established in the constable pay scale a threshold, called the Foundation Skills Threshold, which every constable is required to attempt. That threshold should be at the fourth point in the pay scale, and should test the constable's knowledge and skills in the areas specified above and such other knowledge and skills as the Police Professional Body recommends. Only those constables who attain the threshold by passing the test should be able to progress further up the pay scale.
- 9.1.110 I recommend that the Foundation Skills Threshold for constables should be subject to re-testing at least every five years, and that within that five-year period constables should be provided with appropriate briefing material in major developments in the areas which are the subject of the test as and when they occur. No officer should be ignorant of such major developments and how they may affect the work he does, since the subject areas of the test are all relevant to the core job of being a police officer.
- 9.1.111 Should a lapse in reaccreditation occur, the constable's pay should not revert to a lower pay point in the rank. Instead, the force should take strenuous steps to ascertain why the constable in question has not taken and passed the re-test, and should provide him with advice and assistance to enable him to pass the test on a re-attempt. If, despite such advice and assistance, the constable fails the test, he should be entered into the force's unsatisfactory performance procedures (UPP), and may, depending on his individual circumstances, face dismissal. In the absence of exceptional circumstances, an officer of several years' standing who lacks the knowledge and skills necessary for the Foundation Skills Threshold will not be a competent officer.

*Specialist Skills Threshold*

- 9.1.112 For the reasons already given, I also recommend that the final point in the pay scale, for all ranks of police officer up to and including chief superintendent, and all grades of police staff, should be attainable only by those who have acquired and retain specified accredited skills for the work they do. I recommend that this highest point in the pay scale be called the ‘Specialist Skills Threshold’.
- 9.1.113 In order to progress to the Specialist Skills Threshold pay point, an officer should be required to achieve accreditation in a prescribed skill area. The types of skills in question are discussed below.
- 9.1.114 Prescribed skill areas should be established initially by the Home Secretary in police regulations. The Police Professional Body should then be remitted to set the standards to be attained and accredit the skills required. If and when the police pay review body (recommended in Chapter 10) is established, the prescribed skill areas should be determined by that body with the advice of the Police Professional Body, which should, again, accredit them and set the standards to be attained.
- 9.1.115 The skills which are accredited for the Specialist Skills Threshold should be in functions that require the warranted powers or expertise of a police officer, and predominantly in aspects of policing which are of the greatest importance to the public – the front-line of policing and the work which is of the highest value in the prevention and detection of crime. The accreditation should be rigorous, and require those who attain the threshold to have and use skills which are appreciably above the levels commonly now encountered in police officers at the top of the existing pay scale for their rank.
- 9.1.116 The types of policing activities which should and should not be eligible for accreditation and, therefore, the threshold for the Federated ranks of police officers are set out in Table 9.6.

**Table 9.6: Specialist Skills Threshold – policing activities**

(Federated ranks)	Criteria for eligibility
Response – including: <ul style="list-style-type: none"> <li>• Traffic</li> <li>• Custody</li> <li>• Public order (including dogs and mounted)</li> </ul>	Skills accreditation set by the PPB
Community partnerships – including: <ul style="list-style-type: none"> <li>• Neighbourhood policing</li> <li>• Burglary</li> <li>• Community safety &amp; community relations</li> </ul>	Skills accreditation set by the PPB
Protective services – including: <ul style="list-style-type: none"> <li>• Firearms</li> <li>• Surveillance</li> <li>• Counter-terrorism</li> <li>• Protection officers (Royalty, political figures and the like)</li> <li>• Ports protection</li> <li>• Marine protection</li> </ul>	Skills accreditation set by the PPB

**Table 9.6: Specialist Skills Threshold – policing activities *continued***

<p>Investigation – including:</p> <ul style="list-style-type: none"> <li>• CID</li> <li>• Specialist crime units (vice/child and adult protection/sex/domestic/drugs/immigration/fraud investigation)</li> <li>• Police service complaints and discipline</li> <li>• Asset confiscation</li> <li>• HOLMES unit<sup>84</sup></li> <li>• Crime and incident management</li> <li>• Collision investigators</li> </ul>	<p>Professionalising Investigation Programme accreditation or a similar standard set by the PPB</p>
<p><b>Ineligible roles – Do not routinely require the office of constable or the associated skills</b></p>	
<ul style="list-style-type: none"> <li>• Underwater</li> <li>• Air support</li> <li>• Department heads</li> <li>• Police station enquiry desk</li> <li>• Staff associations</li> <li>• Training</li> <li>• Staff officers</li> <li>• Corporate development</li> <li>• Criminal Justice Units</li> <li>• Control room</li> <li>• Intelligence</li> <li>• Scenes of crime</li> <li>• Coroner’s office</li> <li>• Personnel/human resources</li> <li>• Information technology</li> <li>• Communications</li> </ul>	<ul style="list-style-type: none"> <li>• Clerical and administrative</li> <li>• Criminal records office</li> <li>• Press and public relations</li> <li>• Property</li> <li>• Fingerprint/photographic</li> <li>• Welfare</li> <li>• Occupational health and safety</li> <li>• Traffic Wardens</li> <li>• Vehicle workshop</li> <li>• Vehicle fleet maintenance and management</li> <li>• Buildings</li> <li>• Finance</li> <li>• Drivers (unless the role is coupled with an eligible role)</li> <li>• Stores and supplies</li> <li>• Catering</li> </ul>

- 9.1.118 The tests should be rigorous; some applicants should fail. I recommend that there should be no limit to the number of times a candidate is allowed to take a test. Passing the test will make a material difference to earnings, and some officers and staff may, for personal or other reasons, wish to develop their careers and their skills later than would usually be the case. They should be permitted that flexibility. However, the grace period which applies to the non-use of specialist skills (explained below) should continue to operate to reduce pay if the accreditation of the person in question has lapsed, even if he is in the process of taking or re-taking the test.
- 9.1.119 In relation to officers above the rank of constable, and for police staff in management grades, the accreditation of specialist skills in their pay scales should place special emphasis on skills which are needed in the management of people and resources, and finance and financial planning. There should also be considerable emphasis on leadership.
- 9.1.120 The scales of basic pay at all ranks and qualifying police staff grades should contain a Specialist Skills Threshold at the last, that is the highest, pay point in the scale. Those who have been at the pay point immediately below that highest point for at least 12 months should be eligible to progress to the Specialist Skills Threshold. I recommend this 12-month waiting period because

<sup>84</sup> The ‘Home Office Large Major Enquiry System’ (HOLMES) Unit has been in place since 1986. HOLMES is the provision of ‘Major Incident Room’ (MIR) support to large or widescale police incidents, so that multi-source information can be gathered from the public and inquiry officers, and managed within a single administrative system. HOLMES allows the senior investigation officer to direct and control the course of his investigative enquiry in a manner that is consistent and protects information

- it provides sufficient time for an officer to carry out short term deployment duties without suffering financial detriment resulting from his temporary deployment to an ineligible role.
- 9.1.121 Once an officer or police staff member has attained the Specialist Skills Threshold by passing the necessary test, he should be entitled to the pay corresponding to that point. Unless promoted, he should remain at that point. His skills should be re-tested every three years against the accredited standard then in effect, which may be higher than the standard which applied when he last took and passed the test. This is consistent with the principle that the police service and the skills of its members must keep pace with the development and advancement of the problems and difficulties they face. For some specialisms, such as firearms policing, it may be appropriate for the officer in question to be required to take the test at shorter intervals. That is a matter on which the advice of the Police Professional Body should be obtained, when it has been established.
- 9.1.122 If an officer or police staff member allows his accreditation to lapse by failing a re-test, or if the relevant skills are not being used in the role he presently occupies for a period which is longer than 12 months, he should revert to the pay point on the scale immediately below the Specialist Skills Threshold. The skills threshold is recommended to remunerate those who acquire, maintain and use the skills which are of the highest value in the prevention and detection of crime.
- 9.1.123 An officer on restricted duties<sup>85</sup> should remain eligible for the Specialist Skills Threshold if he has acquired the eligible skills and is using those skills in his job. The decision whether the officer has passed the specialist threshold test should be unconnected with the decision as to whether he should be moved to or remain on restricted duty.
- 9.1.124 The 12-month grace period for the non-use of qualifying accredited skills has been included in order to protect the pay of officers who are temporarily deployed to roles that do not require or use the skills which qualify for the higher level of payment. Such a grace period would give chief officers appropriate flexibility to deploy a specialist skills officer to a non-specialist role temporarily, if he is needed elsewhere, without the difficulty of requiring the officer in question to sustain a reduction in his pay for that period.
- 9.1.125 By way of illustration, a response officer at the rank of constable, once he has reached pay point 6 on the new pay scale, should be able to progress to earn a maximum basic pay of £36,519 at pay point 7 by achieving the level of skills accreditation specific to, and for utilisation in, his role as a response officer. If the officer chooses to transfer to, or is redeployed to, an ineligible role, such as a criminal justice unit, his basic pay would stay at that level for 12 months. However, in order to continue to be entitled to receive the Specialist Skills Threshold payment, the officer must subsequently return to an eligible post for which he is appropriately skilled. If he fails to do so, his basic pay would be reset to the highest non-threshold pay point, in this case point 6 (£31,032) of the new pay scale. For those constables on the existing pay scale, the pay point below the Specialist Skills Threshold would be point 5 (£31,032). This is to ensure that both new and existing officers are financially affected in the same manner. This will also ensure that the Specialist Skills Threshold does not have an adverse effect on officers with protected characteristics under the Equality Act 2010 because new officers are more likely to be female or of black or minority ethnic origin than existing officers.
- 9.1.126 Unlike the Foundation Skills Threshold, the unsatisfactory performance procedures should not apply in the case of any failure to progress to the Specialist Skills Threshold. The sanction for failure in this case is the inability to attain the highest point on the pay scale.

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85 See Chapter 5

- 9.1.127 Table 9.7 provides an example of how the skills thresholds should apply to constables on the recommended constables' pay scale:

<b>Table 9.7</b>	
<b>Constable rank pay points</b>	<b>Salary</b>
0	£19,000
1	£21,000
2	£22,000
3	£23,000
4 (Foundation Skills Threshold)	£25,500
5	£27,700
6	£31,032
7 (Specialist Skills Threshold)	£36,519

- 9.1.128 Achieving and maintaining prerequisite skills accreditation will allow the great majority of officers to continue to receive the same levels of pay as they do now. A regime of the kind I have recommended will direct the focus of the office of constable to the areas of policing for which it was intended. Once it has been fully established, the Police Professional Body will be best placed to determine whether there is a requirement or the capacity to expand the recommended accreditation systems further.

#### *Police Staff*

- 9.1.129 Officers who work in jobs which are also done by police staff – such as in control rooms – should not be eligible for the officers' Specialist Skills Threshold, because the work they are doing is not work which requires them to be warranted police officers. The Specialist Skills Threshold for officers should be exclusively for officers in jobs which require their police powers and expertise. If they are doing police staff jobs, that condition can never be met.
- 9.1.130 In the case of police staff, they do of course have specialist skills and, like any others, those skills have different levels. As I have recommended, police staff should be encouraged to improve their professional skills, and therefore there should be Specialist Skills Threshold points in the pay scales for police staff too. Indeed, some police forces, such as Kent Police, have already established pay grades that are based on the acquisition of skills.
- 9.1.131 Accordingly, forces should decide which police staff roles should be eligible for Specialist Skills Threshold pay points, using implementation of PPF and APP as the basis for identifying roles within the force that utilise and must therefore stay up to date on specialist skills. Forces should ensure that provision is in place for all staff to progress to higher points on their pay scales, including where applicable the pay point eligible for progression to the Specialist Skills Threshold.
- 9.1.132 Creation of a Specialist Skills Threshold for all grades of police staff will allow staff a new opportunity to increase their earnings by directing their focus towards achieving and utilising skills most valuable to the police service.

#### *Implementation of the new model*

- 9.1.133 In recommending this model, I am mindful that an officer can be posted to any role by his Chief Constable. Whilst 12 months' of protection for police officers does exist within this structure, Chief Constables should be sensitive to the long-term effects of redeployment. Redeployment of any officer in receipt of Specialist Skills Threshold payment should

be undertaken sensitively and for the purpose of meeting short to medium term force requirements only. However, the policy also aims to act as a longer term incentive to improve workforce planning. Police forces should not post officers into roles where their police powers and expertise are not required. Other than in exceptional cases, such actions are a waste of money and a source of resentment for police staff.

- 9.1.134 If an officer requests redeployment into an ineligible role, he has chosen the redeployment and is fully aware of the consequent reduction in his basic pay. This policy is consistent with the recommendations in Chapters 5 and 7 for the deployment aspect of the X-factor to be removed if an officer cannot be flexibly deployed. In such circumstances, a long-service constable on restricted duties and working in a control room could see his earnings fall from £36,519 to £31,032 by virtue of his ineligibility for the Specialist Skills Threshold, and then down by a further eight *per cent* by virtue of the removal of the deployment X-factor. At this rate, such an officer would be earning closer to the pay of police staff doing the same work. That is fair. As explained in Chapter 5, the force should in due course consider the dismissal of such an officer with the offer of a police staff role where one exists.
- 9.1.135 It is likely that the phased approach of threshold payments could have varied implications for new and existing police officers and staff. The following paragraphs address some of these implications.
- 9.1.136 An individual who is working in a policing role which is eligible for a Specialist Skills Threshold payment, and whose basic pay is equal to the maximum pay point recommended by this review, should have his existing level of basic pay protected for three years. It should be assumed in this instance that, despite no specialist skills accreditation, the individual has already reached the highest rate of pay based on his experience in the role. He should, however, take the specialist skills test in three years, and if he fails his pay should be reduced to the level immediately below the Specialist Skills Threshold.
- 9.1.137 If an individual has already reached the maximum pay point recommended by this review, but later moves into a new role at the same rank or grade which requires specialist skills accreditation, he should be required to take the applicable specialist skills test. If he fails to achieve the necessary accreditation within 12 months of moving into the new role, his basic pay should be reduced to the maximum pay point below the Specialist Skills Threshold.
- 9.1.138 An individual who is working in a policing role which is not eligible for a Specialist Skills Threshold payment, and whose basic pay is equal to the maximum pay point recommended by this review, should have his existing level of pay protected for three years<sup>86</sup>.
- 9.1.139 In the case of Federated officers already at the top of their pay scales, the Specialist Skills Threshold should be introduced by April 2016 and the Police Professional Body should be remitted to devise the appropriate training and accreditation courses as a matter of urgency.
- 9.1.140 On this recommendation, officers in ineligible roles will have three years' advance notice to transfer and retrain in a policing function that is eligible. Therefore, any officer who has not taken advantage of this advance notice by April 2016 should immediately revert to the highest non-threshold pay point.
- 9.1.141 An individual who is already in service but who has not yet reached the maximum pay point in his rank or grade will, upon satisfying eligibility criteria, be able to progress to the Specialist Skills Threshold. This applies to all police officer ranks and police staff grades.
- 9.1.142 For the transitional period between now and the introduction of the revised constable pay scale (which is discussed in detail in Chapter 7.1), I recommend that the EPAA at the lower rate of £600 *per annum* should be kept in place until the Specialist Skills Threshold payment system has been implemented. This should be by April 2016.

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86 At the very latest, this protection should end on 1 April 2016

### *Public Order Allowance*

- 9.1.143 As stated, the EPAA should be abolished once the new Specialist Skills Threshold, if implemented, is brought in. I recommend a single exception to this. It concerns public order. Police officers who carry out public order duties invariably do so in addition to their ordinary jobs, such as response. Public order policing is not a full-time occupation, and accordingly the reward for the acquisition and use of public order skills ought to be provided in addition to the higher pay of the Specialist Skills Threshold. Public order work is also materially different from other roles that an officer must perform in addition to his full-time job, because of the much higher expectation of violent confrontation with the public and consequent risk of physical injury.
- 9.1.144 Therefore, when the EPAA is abolished, I recommend the establishment of an allowance to be known as the Public Order Allowance. The Public Order Allowance should be paid only to Level 1 and 2 accredited public order police officers who are regularly deployed to the most physically demanding public order duties. To be eligible for the Public Order Allowance, an officer should have:
- attained Level 1 and/or 2 public order accreditation; and
  - been deployed to a minimum of six public order operations during a 12-month period, in which the ‘Gold, Silver, Bronze’ Command Structure<sup>87</sup> was activated.
- 9.1.145 The Public Order Allowance should be paid at the rate of £600 *per annum*, that is, at the same rate as the lower rate EPAA before its abolition. The new pay review body should consider whether, and by how much, it should be uprated each year. The question whether the qualifying group of officers should continue to receive the Public Order Allowance in addition to the Specialist Skills Threshold payment should be reviewed by the new pay review body every five years.

### *Savings*

- 9.1.146 On the basis of current data, the recommended partial withdrawal of the EPAA should save £34m in the first year of its introduction<sup>88</sup>. Subsequent years should see equivalent savings, resulting in a cumulative saving of £334m in EPAA over the decade to 2026.

**Recommendation 93 – The present implementation of the Policing Professional Framework (PPF) for police staff roles should continue.**

**Recommendation 94 – An interim Expertise and Professional Accreditation Allowance (EPAA) should be introduced from April 2013. It should reward qualifying officers for the skills they use in the four stated priority functions: neighbourhood policing; public order; investigation; and firearms. The EPAA should be £600 *per annum*, and should be paid monthly. It should be removed when an officer leaves the qualifying role. The EPAA should be abolished when the Specialist Skills Threshold is introduced.**

**Recommendation 95 – A Foundation Skills Threshold should be introduced at the fourth point of the constables’ pay scale by 2016 at the latest. It should test the officer’s knowledge and understanding of the fundamentals and essential details of the criminal law, including the rules of evidence and procedure, the constitutional position of the police, including their accountability, and the rights of witnesses, victims and suspects, and other citizens. The Police Professional Body should be remitted to devise the test.**

<sup>87</sup> A nationally recognised command structure for major and/or critical police operations in which a risk to public safety or the potential for violence has been identified

<sup>88</sup> EPAA withdrawal should occur in April 2016

**Recommendation 96** – Every constable should attempt the Foundation Skills Threshold, and only those who pass the test should be allowed to move up the pay scale. Constables should be re-tested every five years. Repeated failures to pass the test should lead to the constable being entered into the force’s unsatisfactory performance procedures.

**Recommendation 97** – A Specialist Skills Threshold should be introduced at the final pay point of all police officer pay scales up to and including chief superintendent, by 2016 at the latest. It should consist of a rigorous test of the specialist knowledge and skills required in each role and rank. The Police Professional Body should be remitted to devise the test.

**Recommendation 98** – Officers who pass the Specialist Skills Threshold test should move up to the pay maximum for their rank, and receive an accredited qualification. The test should be re-taken every three years. Failure to pass the re-test should result in the officer reverting to the highest non-threshold pay point.

**Recommendation 99** – The Specialist Skills Threshold should apply only to those roles that require the warranted powers or expertise of a police officer. A suggested list for the Federated ranks is provided in Table 9.6. The Police Professional Body should be remitted to determine which roles are eligible for the Specialist Skills Threshold. When established, the prescribed skill areas should be determined by the police pay review body with the advice of the Police Professional Body, which should accredit them and set the standards to be attained.

**Recommendation 100** – A Specialist Skills Threshold should be introduced at the final pay point of police staff pay scales, and should operate in the same way as for police officers. It should be for police forces to determine which of their police staff roles are eligible for the Specialist Skills Threshold, using implementation of the Policing Professional Framework and Authorised Professional Practice as the basis for establishing which roles require specialist skills.

**Recommendation 101** – A Public Order Allowance (POA) should be established when the EPAA is removed. It should be paid to those officers who have attained Level 1 or 2 public order accreditation and who have been deployed to at least six public order operations during a 12-month period in which the ‘Gold, Silver, Bronze’ Command Structure was activated. The POA should be £600 *per annum*.

**Recommendation 102** – The continued eligibility of the qualifying group of public order officers to receive the Public Order Allowance should be considered every five years by the new police pay review body. The police pay review body should consider whether, and by how much, it should be updated each year.

## 9.2 Overtime

### Background

#### *History of police officer overtime*

- 9.2.1 The unpredictable demands on a police officer's time mean that he may have to work beyond his ordinary scheduled hours. As discussed in Part 1<sup>89</sup>, a police officer is subject to restrictions on his private life, one of which is the obligation to obey an order to return to duty. The X-factor supplement for deployment, which takes this into account, is discussed in greater detail in Chapter 7.

#### *Royal Commission 1960*

- 9.2.2 The Royal Commission drew a material distinction between unforeseeable and occasional overtime arising for example from an incident during an officer's period of duty, and the scheduled, regular overtime worked in response to variables relating to force strength and operational and management practices<sup>90</sup>.
- 9.2.3 The Royal Commission concluded that casual, unforeseeable overtime – which it described as an 'inevitable incident of police service' – was already adequately remunerated in officers' basic pay, and should be brought to an end immediately, without compensation.
- 9.2.4 With regard to scheduled, regular overtime, the Commission said:

*"We also recommend that overtime rates of pay should continue to apply in exceptional cases where men are called out for long periods of duty on special occasions or for particular operations. It is difficult to define these contingencies with any precision, but the broad principle we have in mind is that overtime rates of pay should apply only where periods of overtime are foreseeable and men are detailed for it"*<sup>91</sup>.

#### *Sheehy review*

- 9.2.5 The Sheehy review of police pay in 1993 resulted in the buy-out of overtime from the inspecting ranks, that is a rise in the basic pay of inspectors and chief inspectors in exchange for the abolition of their entitlement to overtime pay. This was one of the few Sheehy recommendations that were implemented. During the subsequent negotiations in the Police Negotiating Board, neither the official side nor the staff side appeared to intend the buy-out leading to inspectors working longer hours because, in effect, their additional time was free to the force. However, the Inspectors' Branch of the Metropolitan Police Federation has since claimed that inspectors are routinely required to work much longer hours than ordinarily because the force in question no longer faces additional costs of doing so<sup>92</sup>.
- 9.2.6 In its examination of national overtime spend (Figure 9.4) and the proportions of overtime worked (Figure 9.5), Part 1 established that overtime costs in 2009/10 were primarily driven by casual overtime at the premium rate of time and a third, both in terms of total cost (£176m) and the proportion of total overtime hours worked<sup>93</sup>. It is likely that the majority of this has resulted from officers working beyond their tours of duty, rather than starting their shifts earlier or having been recalled between shifts.

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89 Part 1 report, page 64

90 Royal Commission report, paragraphs 187-188

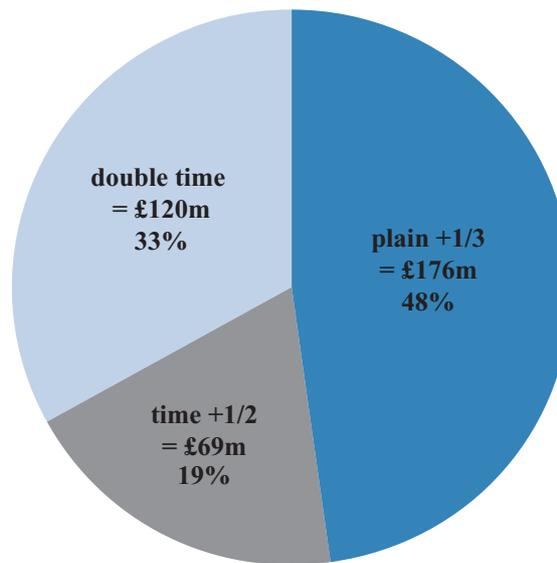
91 *ibid.*

92 *Exploding the Myths: A Guide to the Working Conditions of Inspecting Ranks*, Metropolitan Police Inspectors' Branch Board, London, 2008, page 6

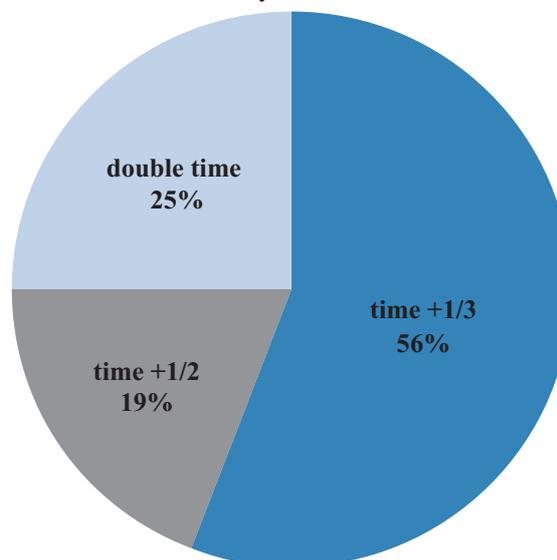
93 Part 1 report, page 70

**Figure 9.4**

Cost of officer overtime: by rate

*Source: Data returns from forces, unverified***Figure 9.5**

Proportion of officer overtime hours worked: by rate

*Source: Data returns from forces, unverified*

- 9.2.7 A number of employers have a need to ask their employees to work extra hours at short notice, and they pay for that overtime accordingly. In this respect, in Part 1 Professor Disney used the Office for National Statistics' Annual Survey of Hours and Earnings data to compare police officers with employees in other sectors<sup>94</sup>. In light of the fact that each public service has its own, sometimes complex, system for remunerating overtime, it was impracticable to make a

<sup>94</sup> Detailed findings appear in the Part 1 report, pages 74-78

like-for-like comparison in every respect. However, the comparisons did show that, in the case of overtime, the police service has more definitions and variables than some other services.

- 9.2.8 Part 1 recommended a simplification of the overtime system for Federated ranks. Table 9.8 contains a summary of those proposals.

**Table 9.8: Recommended overtime system for Federated officers**

Type of overtime	Eligibility	Rate per hour
Casual	Remaining on duty after a tour of duty ends	<b>Time</b> (no payment for the first 15 or 30 minutes depending on the notice given)
	Recalled between two rostered tours of duty	<b>Time</b> plus travelling time
	Begin earlier than the rostered time without due notice and on a day when the officer has already completed his normal daily duty	<b>Time</b>
Planned	Rest day	<b>Time and a half</b> with fewer than 15 days' notice
	Public holiday	<b>Double time applies to 25 December and seven other days chosen by the officer.</b> Cancellation with fewer than 15 days' notice needs ACC authority
	Annual leave	<b>Minimum eight hours of overtime plus one day's annual leave</b> or two days' annual leave (at the officer's option). Cancellation requires ACC authority

#### *Decision by the Police Arbitration Tribunal*

- 9.2.9 Following publication of Part 1, the official and staff sides of the Police Negotiating Board failed to agree on my recommendation to reduce the rate of casual overtime from time and a third to plain time<sup>95</sup>. The matter was referred to the Police Arbitration Tribunal (PAT) for consideration. The PAT said:

*“Having considered the evidence before us (including our understanding that officers will continue to be required to work the ‘Queen’s half-hour’ without payment), we are not persuaded that, with the burden of overtime working likely to increase in the light of reduced officer numbers, it would be appropriate to reduce the rate payable for hours worked (and travelling time if recalled between two rostered tours of duty) from the current rate of time and one-third to plain time. We do however accept that the minimum hours payment for being recalled between tours of duty should be abolished, as stated in recommendation 6, on the basis that payment for overtime is made for the actual hours worked”<sup>96</sup>.*

<sup>95</sup> Part 1 report, Recommendation 6

<sup>96</sup> ACAS 108/2011-12, *Decision of the Police Arbitration Tribunal*, January 2012, page 35

- 9.2.10 As a result, the PAT decided that the premium rate of time and a third should be retained for casual overtime, with payment of travelling time for recalls between tours of duty. The Part 1 recommendation to abolish the minimum hours payment for overtime was supported<sup>97</sup>.
- 9.2.11 Part 1<sup>98</sup> also recommended that there should be further investigation into whether the overtime of close personal protection officers for very important persons, and certain Federated ranks, should be bought out.

*Present considerations – VIP protection*

- 9.2.12 The Metropolitan Police Specialist Operations Unit provides the following VIP protective services<sup>99</sup>:
- Royalty protection – protection of the Royal Family and members of visiting royal families, and the escort of high risk prisoners and high value property;
  - Diplomatic protection – protection of embassies and missions in London and other public buildings which are considered to be at risk;
  - Specialist protection – protection of certain ministers and other public figures who are considered to be at risk; and
  - Counter Terrorism Liaison Officers – dedicated overseas duties.
- 9.2.13 Royalty protection officers, who provide personal protection of an individual, presently receive an annual allowance, the amount of which is determined according to rank<sup>100</sup>. The Metropolitan Police Service determines these amounts itself. The rates payable as at September 2010 are as follows:
- constable – £13,459;
  - sergeant – £15,396;
  - inspecting ranks £9,564; and
  - superintending ranks £9,585.
- 9.2.14 Royalty protection officers are also eligible for premium rates of overtime (time and a half and double time, according to circumstances) for working on a rest day, a day of annual leave or a public holiday without sufficient notice.
- 9.2.15 Unlike their royalty protection colleagues, specialist protection officers, who provide personal protection to an individual, are eligible for casual and premium overtime rates, in accordance with the national police regulations framework.

*Staff overtime*

- 9.2.16 Part 1 established that police staff are not generally required to work paid overtime as frequently as are police officers<sup>101</sup>. When this is combined with the lower rates of average pay for police staff in comparison with Federated officers, the cost implications for forces are significantly less.
- 9.2.17 Given this lower rate of pay, which is in part a reflection of the element of expected additional unpaid hours which is built into the basic pay of police officers<sup>102</sup>, Part 1 recommended that staff should receive slightly higher premium overtime pay rates when required to undertake additional hours of work. The applicable rates are broadly in line with those of other parts of

97 *ibid.* page 44

98 Part 1 report, page 83

99 In the case of royalty and specialist protection, officers may provide close personal protection of an individual or static protection outside premises

100 All ranks up to chief superintendent are entitled to a Special Escort Allowance payment

101 Part 1 report, pages 84-90

102 Described in Part 1 as one of the considerations of an officer X-factor

the public sector, with the exception of the Sunday double time rate which Part 1 recommended be reduced to time and a half.

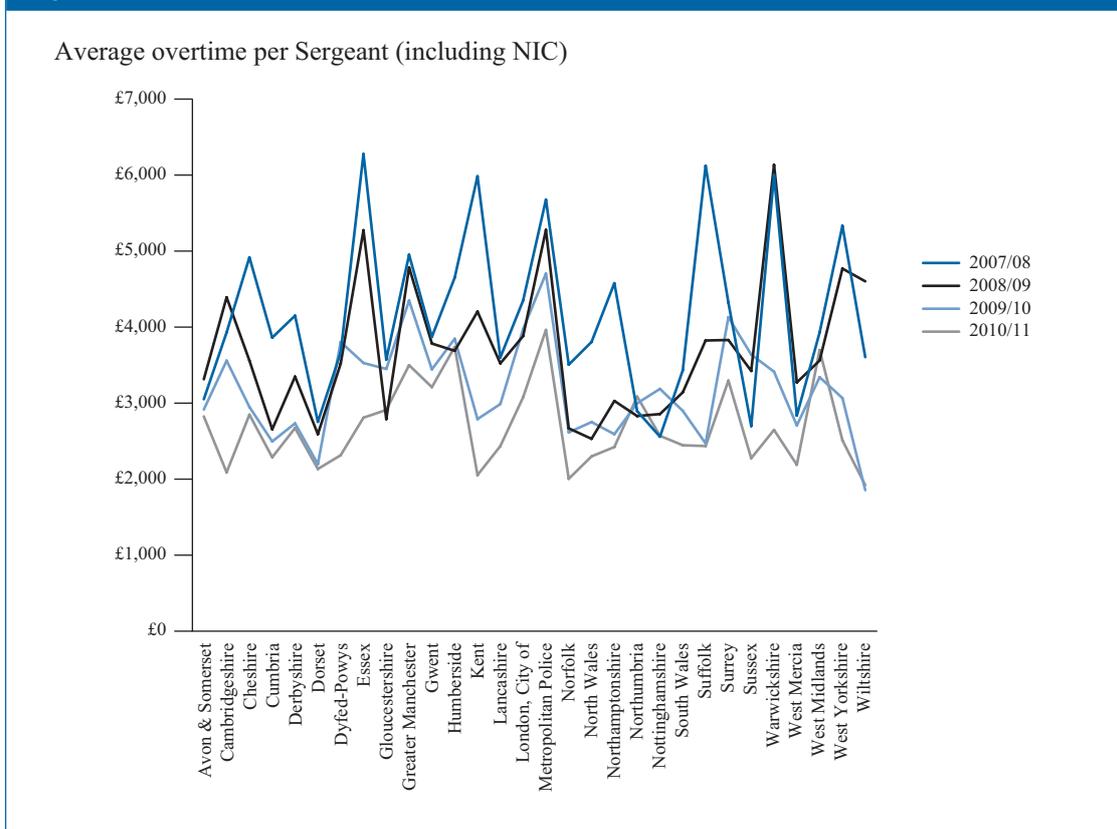
- 9.2.18 Part 1 also recommended that police staff should be eligible for the same public holiday arrangements as police officers, in respect of which the premium rate of overtime pay would apply<sup>103</sup>. However, as of March 2012, the Police Staff Council and those forces outside the national police staff negotiation framework had not agreed to either of these Part 1 recommendations.

## Analysis

### *Sergeants' overtime*

- 9.2.19 Figure 9.6 shows average sergeant overtime earnings by force. Of the 30 forces that responded to the review's data request, all have experienced a reduction in their total overtime spend since 2007/08. It should be noted that the majority of forces do not routinely compile separate data for constables and sergeants. Therefore, Figure 9.6<sup>104</sup> may not reflect overtime spend specifically relating to sergeants with full accuracy.

**Figure 9.6**



103 Part 1 recommended that for working public holidays, police staff should receive double time for working on 25 December and on seven other days chosen for the next financial year by the employee in question before 31 January. Cancellation with fewer than 15 days' notice should require the authority of an Assistant Chief Constable

104 The data have not been published and have not been verified with forces

- 9.2.20 Data collated by the Chartered Institute of Public Finance and Accountancy (CIPFA) show a reduction in total overtime spend has occurred since 2007/08, which is shown in Table 9.9<sup>105</sup>. Compared with the total spend in 2007/08, combined force data provided for 2008/09 show a total reduction in overtime spend of 8.2%. This is followed by reductions of 7.1% in 2009/10, and 14.6% in 2010/11. The review has conducted its own modelling of overtime spend on sergeants, which is included in Table 9.9, and indicates that approximately 20% of overtime spend relates to sergeants.

**Table 9.9: England and Wales overtime spend for constables and sergeants, 2007/8-2010/11 (£ millions)**

	2007/8	2008/9	2009/10	2010/11
Spend on constables and sergeants	£434m	£399m	£370m	£317m
Estimated spend on sergeants alone	£90m	£81m	£71m	£61m
Difference from previous year (constables and sergeants)		-8.2%	-7.1%	-14.6%

*Source: CIPFA Police Actuals; estimate of sergeants overtime spend – review's own modelling*

## Consultation

### *Response by the Association of Chief Police Officers*

- 9.2.21 In relation to premium rates of overtime for disruption to officers' bank holidays, ACPO believes that this should be incorporated into the X-factor element of police officer pay<sup>106</sup>.
- 9.2.22 In its submission to Part 1, ACPO also expressed some concern over complex or divisive rates of overtime payment. ACPO says that it firmly favours overtime compensation for actual hours worked<sup>107</sup>.

### *Response by the Association of Police Authorities*

- 9.2.23 In its submission to Part 1, the Association of Police Authorities (APA) proposed the abolition of overtime payments in favour of a consolidated uplift in basic pay. The APA argued that existing overtime arrangements are too expensive, "unreasonably generous and out of step with our aspiration to professionalise the Service"<sup>108</sup>.
- 9.2.24 Whilst the APA continues to favour a reduction in the entitlements and rates paid for overtime, its position on the complete abolition of overtime payments has changed. In its submission to Part 2, the APA says:

*"... we think a hybrid model of role based pay with reduced overtime entitlements provides a satisfactory arrangement for at least the near term. We recognise that overtime pay is a valuable tool for increasing organisational responsiveness and resilience, but also that abandoning overtime completely over the near term presents a significant cultural challenge within the police service.*

*"... we do see scope for overtime to be incorporated into base pay at some point in the future. This would involve weighting roles that routinely require overtime more heavily. Fundamental to our argument in this regard is a presumption of role transparency and 'eyes wide open' on the part of any aspiring incumbent to roles requiring regular and/or substantial overtime... when someone applies for a role, they might fairly be expected to know about likely overtime components and that such a burden is factored into their base pay for that particular role".*

105 CIPFA Police Actuals data, 2011

106 ACPO submission, page 18

107 ACPO Part 1 submission, page 10

108 APA submission, page 14

*Responses by police forces and authorities*

- 9.2.25 The Metropolitan Police Authority agrees with the APA on the continued use of overtime payments as a method of maintaining a flexible and responsive workforce. However, the MPA also raises the need to simplify and better manage existing systems:

*“There needs to be a recognition that overtime can provide flexibility and be a cost effective management option, but the notice and pay arrangements need to be simplified to facilitate effective deployment and reduce costs; in other words to encourage working flexibly and a proper work-life balance, to make it a less attractive option”<sup>109</sup>.*

- 9.2.26 On the question whether there is scope within the police service to buy-out the overtime of officers in the ranks which are still entitled to it, so that payment for additional hours would be built into basic pay, the MPA says:

*“Overtime was ‘bought out’ for inspecting ranks many years ago and their basic salary reflects this. Arguably, police officers on basic salaries of £45k plus per annum, i.e. Inspectors, are in middle-to-senior management roles who would be expected to work flexibly to meet the needs and exigencies of the organisation. There seems no argument for reducing their salaries by the amount of the ‘buy out’ in order to permit overtime to be claimed”<sup>110</sup>.*

- 9.2.27 MPA adds that it does not believe that the buy-out of inspectors’ overtime has adversely affected the number of candidates seeking promotion to inspector<sup>111</sup>.

- 9.2.28 Hertfordshire Police believes that overtime payments can be a useful management tool, and that premium overtime allowances should be retained in a simplified form.

- 9.2.29 However, Hertfordshire Police also raises the issue of overtime payments to constables and sergeants, in the context of the principles of ‘professionalising’ the police service:

*“It could be argued that in line with increasing professionalisation, overtime payments to Constables/Sergeants could wholly or partially be absorbed into pay. However, there are areas of police work which are subject to unpredictable ‘demand spikes’ and where exceptional hours are required to be worked at short notice”<sup>112</sup>.*

- 9.2.30 The joint submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire police forces asserts that should overtime become absorbed into officer pay, it would result in officers who do not work longer hours receiving the same pay as those officers who do work longer hours, and this would not be fair<sup>113</sup>.

- 9.2.31 Further, the joint submission says that the forces do not believe that a buy-out of police officer overtime would be a fair or cost-effective measure as it may reduce pay for officers working regular overtime, and increase pay for those who do not:

*“It would not be sensible to remove paid overtime from the police service – overtime that is properly managed and controlled is a cost effective solution to managing unplanned events or spikes in demand. For many pre-planned events that require policing the overtime is paid for by the event organiser and is not a cost to the public”<sup>114</sup>.*

- 9.2.32 The forces also raised the point that police staff on lower ranges of pay are protected under present overtime arrangements. Changes to the system could inadvertently disadvantage staff who have their workloads managed by senior staff:

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109 *Submission from Metropolitan Police Authority*, September 2011, page 20

110 *ibid.* page 21

111 *ibid.* page 21

112 *Submission from Hertfordshire Police*, September 2011, page 7

113 *Submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police forces*, September 2011, page 26

114 *ibid.*

*“There is an acceptance that officers and staff in senior roles need to work more flexible hours; this requirement is reflected in the salary paid for the job. This system works well and is simple to manage and administer. Individuals affected by this usually have greater control over their workload and their diaries and can therefore influence the hours that they work to some extent. As senior people they are also more likely to feel able to speak out if workloads and hours of working become unmanageable. This is not the case for junior staff”<sup>115</sup>.*

*Response by the Police Federation of England and Wales*

- 9.2.33 The Police Federation is opposed to the buying out of overtime for constables and sergeants. It says that overtime is a “necessary consequence” of police work and is a useful tool when used correctly, because it “is a cost-effective alternative to the recruitment of additional police officers”<sup>116</sup>. It points out that “actual spend on overtime is generally low across the forces of England and Wales and is reducing”<sup>117</sup>.
- 9.2.34 The Police Federation says that the history of overtime in the police service shows that “where remuneration for ...[overtime] is included within basic pay or a set allowance, chief officers will fail to adequately reward officers for their additional hours”<sup>118</sup>. It warns that without appropriate safeguards to limit the numbers of hours officers are required to work (such as overtime premia), “officers’ health, safety and welfare would be at risk, with the knock on effect on sickness absence, [and] ill-health retirements”<sup>119</sup>. The Police Federation argues that overtime working can involve significant personal cost to officers’ personal lives, and that officers are entitled to “a reasonable work-life balance”<sup>120</sup>.
- 9.2.35 The Police Federation says that “[t]oo much unplanned overtime results from poor management, misaligned shifts and a lack of management training”. It notes the findings of two recent studies on police overtime<sup>121</sup>. They identified a series of factors that are important in the attainment of reductions in spending on overtime, broadly grouped into two categories: (a) better management, including improved training and guidance for managers, and greater accountability amongst budget holders; and (b) more effective deployment of officers through improved planning and the matching of resources to times of peak demand.
- 9.2.36 The Police Federation argues that spending on overtime could be reduced not only by the taking of such actions, but also by “increasing part time and flexible working opportunities in the police service”<sup>122</sup> because this too could provide additional resources at times of peak demand.

*Response by the Police Superintendents’ Association of England and Wales*

- 9.2.37 The Police Superintendents’ Association opposes the prospect of buying out overtime for constables and sergeants:

*“Overtime could be ‘bought out’ as was the case with the inspecting ranks in 1993. Whilst this worked relatively well for a period of time in some areas, the additional payment did not effectively compensate [those members of the inspecting ranks] who frequently work excessive hours way beyond the value of the original ‘buy out’. This unfairness is likely to become more widespread as forces reduce the number of officers within the inspecting ranks in order to meet budgetary constraints. We are not aware of any evidence that suggests that either the workload, or the expectations placed upon these officers, has reduced commensurately...”*

115 *ibid.* page 27

116 Police Federation submission, page 6

117 *ibid.* page 6

118 *ibid.* page 50

119 *ibid.* page 45

120 *ibid.* page 45

121 *High Level Working Group Report on Police Value for Money*, ACPO, APA, HMIC, NPJA, Home Office, 2010, and *Understanding Overtime in the Police Service*, Home Office, 2010

122 Police Federation submission, page 49

*“... Some officers routinely work overtime, whilst others do so only occasionally. To develop a ‘buy out’ scheme that would be fair to all, and that could adequately take [into] account the flexibility required for officers moving between different roles within the same rank would, we consider, present a significant challenge. We would not support such a proposal”<sup>123</sup>.*

9.2.38 Rather than buy-out the overtime entitlement of an entire rank of officers, the Police Superintendents’ Association draws attention to the alternative option of requiring officers who regularly work overtime to be “paid an allowance in lieu of claiming for every hour worked”. It further says, “should such a system be considered then certain safeguards would need to be put in place”<sup>124</sup>.

9.2.39 Finally, the Police Superintendents’ Association also raises concerns that a buy-out of constables’ and sergeants’ overtime may have a detrimental effect on operations where officers are typically deployed for long periods, such as the August 2011 riots:

*“We would not favour any proposal that the working of overtime without compensation should be an expectation of the post... it could reduce the pool of candidates who would put themselves forward for those posts where such expectations were made. This [could] reduce the quality of officers performing such roles and lead to them being ‘posted’ into them. This would, in turn, give rise to increased numbers of grievances. Such a system would also be open to abuse by management”<sup>125</sup>.*

#### *Response by UNISON Hertfordshire*

9.2.40 The issue of staff being adequately compensated for overtime expectations was also raised by UNISON’s Hertfordshire branch. UNISON disagrees with the proposition that there should be an overtime buy-out in respect of certain police staff roles:

*“Overtime is not a large part of the staff pay outlay for the Constabulary. We do not feel that overtime pay should be removed or paid off. It is a fair way of rewarding the staff member for the extra hours worked whilst ensuring that supervisors properly manage resources in a timely fashion. It should in no way be an expectation – no one can anticipate when the next major incident will happen and so it is unfair to expect staff to always be ready to react without recompense”<sup>126</sup>.*

#### *Response by the Police Staff Council (Staff Side)*

9.2.41 The Police Staff Council staff side believes that the present system of overtime compensation for police staff is simple and effective and should not be changed<sup>127</sup>.

#### *Additional consultation responses*

9.2.42 The Local Government Group believes that management practices should be reviewed to ensure the effective and efficient management of overtime deployment is maximised:

*“In addition to considering the levels of payment for overtime worked, the review will wish to consider whether forces are as effective and efficient as they can be at anticipating demand and planning accordingly. This will require the view of those with operational expertise, but any move to reduce enhanced payments should include measures to ensure force planning is robust and fair to minimise disruption to officers’ lives”<sup>128</sup>.*

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123 Police Superintendents’ Association submission, page 6

124 *ibid.* page 42

125 *ibid.* page 42

126 *Submission from UNISON Hertfordshire*, September 2011, page 3

127 *Submission from the Staff Side of the Police Staff Council*, September 2011, page 3

128 *Submission from the Local Government Group*, September 2011, page 16

- 9.2.43 Reform favours the discretionary payment of overtime by forces, for compensation of roles for which overtime is not an accepted regular requirement. For roles that regularly require overtime working, Reform advocates buying-out the overtime requirement:

*“There are occasions when overtime for police officers and staff could be appropriate, and managers should retain the flexibility to pay this at their discretion. However, the basic and fundamental role of many police officers and staff necessitates significant working outside of normal “office” hours. It is therefore appropriate for their contracts to include a significant number of anti-social hours as part of their basic contract and pay. Managers should of course take this into account when determining the basic pay of officers and staff to whom this applies”<sup>129</sup>.*

### Conclusion

- 9.2.44 It is important to ensure that police officers are being adequately paid for the role they undertake, which in some cases requires the regular working of overtime.
- 9.2.45 This section deals with overtime payments for specialist protection officers in the Metropolitan Police; the treatment of sergeants’ overtime; and overtime arrangements for police staff.
- 9.2.46 Overtime arrangements for constables were dealt with in the Part 1 report. It recommended that “[o]vertime should remain a management tool for the foreseeable future”<sup>130</sup>. There are no recommendations in Part 2 that are inconsistent with that recommendation. It should be emphasised, however, that there is a very real need for cultural change within the police service in order to reduce the cost of overtime. Managers must receive the training required to make them effective, disciplined budget holders who maximise the value of taxpayers’ money by sensibly planning deployment.

#### *Metropolitan Police Service*

- 9.2.47 The MPS is seeking greater power over the management of its own workforce, in areas that are specific to London. The case of specialist protection officers requires particular attention. The MPS says that:

*“We [seek] greater flexibility, within a broad framework, to recognise and reward – through a system of allowances, those who face long (and often overseas) deployments such as protection and counter terrorism officers”<sup>131</sup>.*

- 9.2.48 I agree that the MPS should have a greater measure of discretion over a policing discipline that is specific to its force area. The police regulations which apply to the payment of overtime were not designed to deal with cases so unusual as those of protection officers.
- 9.2.49 It should not be overlooked that both royal and specialist protection officers undertake unusually demanding roles, which can require them to be placed in dangerous situations, and to forego the personal pursuits and stable home and family lives that other individuals, including other police officers, enjoy. It should also be acknowledged that the work undertaken by protection officers is not within the parameters of their control. Protection officers do not choose the person to whom they are assigned, and they are subject to the uncertainties and exigencies of his schedule. It is appropriate for every protection officer to be paid at a rate that reflects the particular and demanding challenges of his role.
- 9.2.50 It is fairer to all officers, and particularly for royal protection officers who often work alongside specialist protection officers, for there to be an equitable system of pay that provides a consistent method of reward for similar types of roles. Royal protection officers do not qualify for overtime, and nor therefore should specialist protection officers. The buy-out should apply to specialist protection officers’ casual overtime. In order to ensure parity with royal protection

129 *Submission from Reform*, September 2011, page 61

130 Part 1 report, page 81

131 *Submission from Metropolitan Police Service*, October 2011, page 4

officers, the buy out should not apply to overtime for working on a rest day, a day of annual leave or a public holiday without sufficient notice.

- 9.2.51 As specialist protection officers are unique to London, I recommend that the Commissioner of the Metropolitan Police should have the discretion to determine the appropriate buy-out rate for the role. This power should apply only to casual overtime, and should achieve an appropriately closer harmonisation with the buyout that has already occurred in the case of royalty protection officers<sup>132</sup>.

**Recommendation 103 – The Police Regulations 2003 should be amended to provide the Commissioner of the Metropolitan Police with the authority to determine an appropriate level of buy-out of the casual overtime of specialist protection officers.**

**Recommendation 104 – The Commissioner of the Metropolitan Police should determine an appropriate buy-out of the casual overtime of specialist protection officers which results in a greater harmonisation of the pay of specialist and royalty protection officers, and which takes appropriate account of the unique requirements of specialist protection officers.**

### *Sergeants' overtime*

- 9.2.52 In relation to sergeants' overtime, it is appropriate to return to the relevant considerations of the Royal Commission in 1960. The Commission's interim report said:

*“It will be seen that our aim is to lift the uniformed constable out of the ‘overtime class’ of worker altogether. We recognise that this cannot be achieved at once. As a first step, however, we distinguish between, on the one hand, the casual, unforeseeable overtime arising for example from an incident during a man's period of duty; and, on the other, the scheduled and regular overtime worked by constables either in forces severely under strength or where a force is from time to time engaged on special operations. We would like to see payment for casual, unforeseeable overtime brought to an end at once on the ground that the constable's rate of pay provides adequate compensation for this inevitable incident of police service. In making this recommendation we have it in mind that, at his discretion, a chief constable will modify a man's hours of duty where the exigencies of the service permit. But we regard this as a matter of sensible management and co-operation rather than a question of rules and regulations”<sup>133</sup>.*

- 9.2.53 The rank of sergeant is one of the most important in the police service, because these officers directly manage the police service's single largest resource, police constables. Much more should be done to separate and differentiate the manager from the managed. In too many respects, sergeants behave as senior constables rather than the supervisors and managers they are supposed to be. Moreover, it is inappropriate for a manager to benefit financially from the decisions he makes on working hours.
- 9.2.54 It is also anomalous that in a working environment in which police staff are ineligible for the payment of overtime if their basic salary is higher than £25,500, their police officer colleagues are being paid overtime, and in circumstances in which their basic pay very frequently exceeds that of police staff.
- 9.2.55 There is therefore a strong case for buying out the overtime of sergeants. But I have concluded that now is not the time to do it.
- 9.2.56 Many people in the national workforce, including police officers, are facing considerable pressure on their personal financial conditions. Moreover, a buy-out now of all overtime for sergeants is likely to have a disproportionately detrimental effect on those sergeants who work

<sup>132</sup> Special Escort Allowance, which applies to Royal personal protection officers only

<sup>133</sup> Royal Commission report, paragraph 187

the hardest and the longest hours, and conversely unduly benefit those sergeants who do not do any overtime at all, or very little. That would be unfair. I place considerable weight on the views of Chief Constables on this matter, including the Commissioner of the Metropolitan Police. They have argued forcefully that any benefits arising from a greater separation between the manager and the managed would be offset and undermined by the damage to sergeants' morale that would be caused by the buying-out of their overtime.

- 9.2.57 In this respect, there is an additional difficulty presented by the lack of available data from which to calculate the rate of an overtime buy-out for sergeants. If I had been prepared to proceed only on the basis of the available, inadequate data, I expect I should have recommended that the buy-out of sergeants' overtime should be at the cost of an increase in their basic pay of the order of £1,300 *per annum*. However, I do not consider the available data to be sufficiently robust for this purpose, and I therefore consider that it would be inappropriate to recommend change to the status quo now.
- 9.2.58 The buy-out of sergeants' overtime is a matter for future consideration by the police pay review body which I have recommended in Chapter 10. I recommend that it does so in 2017, having obtained from forces data of a nature and quality on which it can rely.
- 9.2.59 I also recommend that national and force data – including data contained in force management statements – include a clear separation of overtime spend and hours worked by constables and sergeants.

**Recommendation 105 – In 2017, the recommended police officer pay review body should reconsider the buy-out of sergeants' casual overtime.**

**Recommendation 106 – Annual Data Returns from forces should include separate breakdowns of overtime hours worked, and total overtime spend for constables and sergeants.**

### *Police staff*

- 9.2.60 The recommendations that I made in Part 1 in relation to overtime for officers can also be fairly applied to police staff. It would significantly assist the planning and deployment of police officers and staff if their eligibility for overtime were the same. This includes the number of days' notice to which they are entitled in relation to changes to shift patterns before they have an effect on the applicable overtime rates of pay. As a measure of facilitating an appropriate degree of harmonisation of police officer and staff terms, I therefore recommend the following:
- The Police Staff Council's handbook, Section 1, paragraph 6.1.2 should be amended to provide for the payment of additional hours of Sunday working at the rate of plain time. This should be agreed in the Police Staff Council and incorporated into contracts of employment using the established mechanisms for doing so. In the case of police forces outside the PSC arrangements, these changes should be agreed in the usual manner with the relevant unions.
  - For working public holidays, police staff should receive double time for 25 December and seven other days in the following financial year, chosen by the individual before 31 January. Cancellation of those rest days on fewer than 15 days' notice should require the authority of an Assistant Chief Constable.
- 9.2.61 This arrangement will have the long-term benefit of facilitating better workforce planning, especially on joint operations between officers and staff. It is not designed to produce savings and is aimed at improving the overall payment structure for staff who regularly work in roles specific to policing. To remain cost-neutral, changes to overtime payments should be introduced in conjunction with my recommendations for unsocial hours payments<sup>134</sup>.

<sup>134</sup> Recommendations 107 and 108

- 9.2.62 This recommended change should take effect from April 2016. In the short term, police staff are already being unduly adversely affected by the reductions in police force budgets. Most are also paid less than police officers. The recommended change to overtime payments will reduce the earnings of police staff working on Sundays. Therefore, the Police Staff Council and other negotiating forums should spend the period before implementation determining how to mitigate any undue detrimental effect that it might have on some police staff.

**Recommendation 107 – The Police Staff Council’s Handbook, Section 1, paragraph 6.1.2 should be amended to provide for the payment of additional hours of Sunday working at the rate of plain time. This should be agreed with the Police Staff Council and incorporated into contracts of employment. In the case of police forces outside the PSC arrangements, these changes should be agreed in the usual manner with the relevant unions.**

**Recommendation 108 – For working public holidays, police staff should receive double time for 25 December and seven other days chosen by the individual before 31 January for the next financial year. Managers should have the right to refuse requests if a date proves too popular and force resilience becomes questionable. Cancellation with fewer than 15 days’ notice should require the authorisation of an Assistant Chief Constable.**

**Recommendation 109 – Changes to police staff overtime payments should take effect from April 2016, in conjunction with recommendations 110 and 111 relating to the payment of police staff unsocial hours. The Police Staff Council and other negotiating forums should spend the period before implementation determining how to mitigate any undue detrimental effects that changes to overtime payments may have on some police staff.**

## 9.3 Unsocial Hours

### *Officers*

- 9.3.1 As I explained in Part 1, policing is a 24-hour service with unpredictable demands. Working unsocial hours is an accepted part of life for a police officer, depending on the type of role to which he has been deployed.
- 9.3.2 In 1978, Edmund-Davies acknowledged that every Federated police officer is expected regularly to work unsocial hours. Consequently, Edmund-Davies recommended that a supplementary amount of nine *per cent* be incorporated into the basic pay of all officers up to and including chief inspectors. This was done.
- 9.3.3 This increase in pay compensated the officers in question for working shifts that included unsocial hours. The Edmund-Davies report included the following reminder:
- “Although consolidation [of supplementary pay into basic pay] does remove from pay a specific identifiable element for working unsocial hours, it should not be forgotten in the future that police pay does contain such an element”<sup>135</sup>.*
- 9.3.4 Thirty-three years later, and contrary to Edmund-Davies’ structure, this has been forgotten. As a result, a large number of police officers are able to transfer from working in a role that requires 24-hour deployment (for example response), to a role which does not (for example office-based), without any reduction in the level of his pay.
- 9.3.5 My Part 1 recommendation was that whilst it may be inappropriate in the short term to reduce the pay of officers not working regular unsocial hours by nine *per cent*, a distinction in pay

<sup>135</sup> Edmund-Davies report (2), page 29

should be made between an officer who is working the unsocial hours which are generally expected of police officers, and the officer who is not. For this reason, I recommended that a non-pensionable uplift of ten *per cent* should be paid to all constables up to and including chief inspector rank, for each unsocial hour worked<sup>136</sup>.

### *Police staff*

- 9.3.6 Police staff are also employed by a 24-hour police service. Consequently, a number of police staff roles will inevitably be required to work unsocial hours, either on a contracted basis, or as part of a rotating shift pattern. Roles of this nature may be varied, however. Examples include control room call handling roles, police community support officers (PCSO) and detention officers in custody suites.
- 9.3.7 Unlike their police officer counterparts, police staff do not have unsocial hours built into their basic pay. For this reason, and to simplify the pre-existing Police Staff Council (PSC) guidelines, my Part 1 recommendation was to eliminate any distinction between days of the week, thus ensuring that police staff are paid the same rate of overtime supplement for every day on which they work unsocial hours.
- 9.3.8 However, as of March 2012, the Police Staff Council and those forces outside the national negotiation framework had not agreed to this Part 1 recommendation.
- 9.3.9 Part 1 identified a need for harmonisation between the pay of officers and staff performing work that includes unsocial hours. One aspect of this harmonisation is to establish a consistent definition of the hours which qualify as unsocial for the purposes of extra pay.

## **Analysis**

### *Officers*

- 9.3.10 Part 1 demonstrated that, amongst police officers, constables and sergeants regularly worked the highest percentage of unsocial hours in 2009/10.
- 9.3.11 There is limited national data on the hours worked by police officers. However, Part 1 was able to demonstrate, through the following examples, a general illustration of the unsocial hours worked by police officers.
- 9.3.12 HMIC's report in 2010, *Valuing the Police*, examined five police forces at three fixed time periods, namely Monday morning, Wednesday evening and Friday night. HMIC found that the visible service to the public, which includes police community support officers, differs as a percentage of the total officer and PCSO workforce across the three different times. In particular, it said that, as a percentage of those available for duty, there are more officers visibly on duty during the day than the peak demand period of a Friday night<sup>137</sup>.
- 9.3.13 A study was conducted for this review into the working hours of police officers. Forces were asked to provide data on the number of officers on duty for each hour during two 24-hour periods<sup>138</sup>. Differing technological capabilities prohibited some forces from responding.
- 9.3.14 The data received was extrapolated to a national level, which indicated that approximately 43% of officers in the Federated ranks<sup>139</sup> do not regularly work unsocial hours<sup>140</sup>.
- 9.3.15 Figure 9.8 shows the percentage of officers who work unsocial hours compared with the total proportion of unsocial hours worked. The graph indicates that approximately 60% of constables regularly work unsocial hours and that between them they are required to cover total unsocial hours worked, which equates to 20% of their total hours worked. It is reasonable that

136 Unsocal hours are defined as occurring between 8:00pm and 6:00am. No distinction is made between certain days of the week

137 *Valuing the Police: Policing in an Age of Austerity*, Her Majesty's Inspectorate of Constabulary, London, July 2010, page 14

138 During the month of December 2010, Wednesday (during the day) and Saturday (evening)

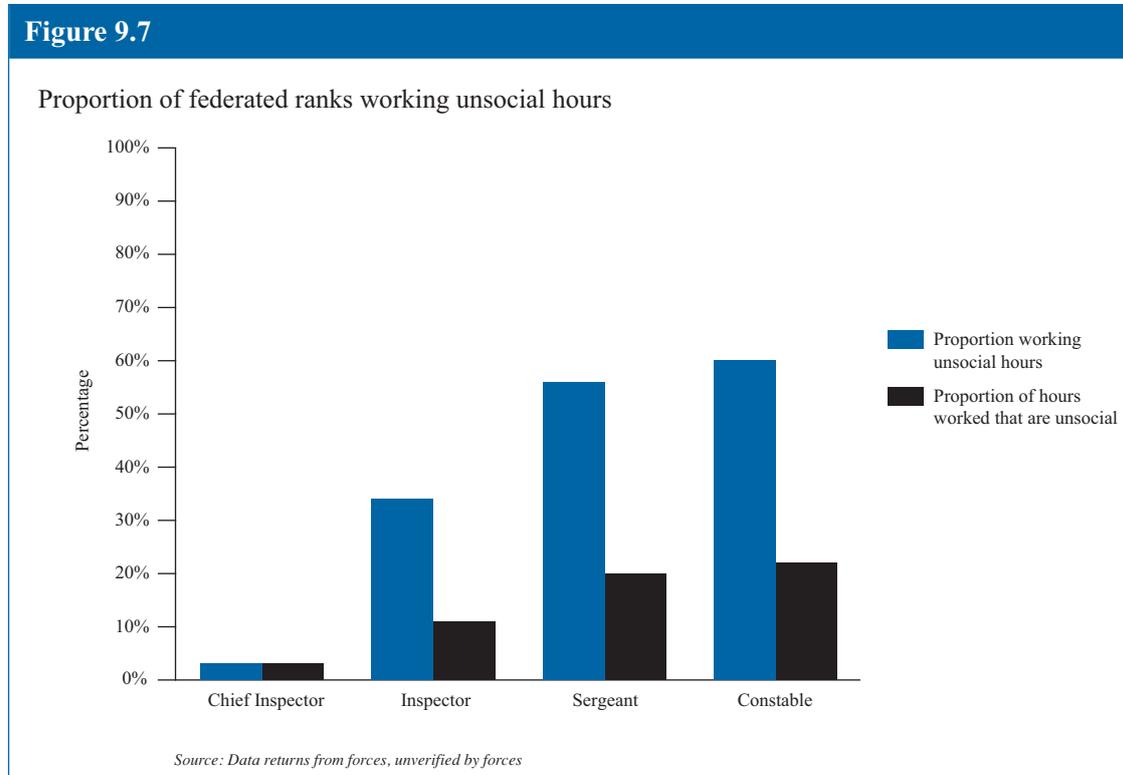
139 Equates to approximately 60,000 officers

140 Unsocal hours are defined as 8:00pm to 6:00am

the more officers are available to work unsocial hours, the fewer burdens to do so are placed on individual officers. In other words, the load is spread more thinly when there are more police officers working unsocial hours.

- 9.3.16 Chief inspectors as a class work the least numbers of unsocial hours. Chief inspectors who do work unsocial hours spend the majority of their time doing so. There are presently no supplemental payments<sup>141</sup> for unsocial hours made to the officers who regularly work them.

**Figure 9.7**



- 9.3.17 Research in other employment fields has established that shift working is detrimental to personal and family life. In addition to the difficulties created in domestic life, shift working has also been found to restrict social and leisure activities. For example, a study by Lipovcan, Larsen & Zganec found that nightshift workers rated their quality of life more poorly than other groups of workers<sup>142</sup>. This is entirely understandable.
- 9.3.18 Studies also show that night working and rotating shift patterns can significantly and adversely affect an individual’s physical health because of the continuous disruption to the body’s 24-hour biological rhythm, and unhealthy methods of coping with that disruption such as smoking, lack of exercise and increased alcohol intake<sup>143</sup>.

### *Police staff*

- 9.3.19 In order to ascertain the extent of unsocial hours worked by police staff, the review requested data from individual police forces. A similar methodology was used as for Part 1’s assessment of police officer unsocial hours. Eight of 43 police forces responded to the request, and modelling has been carried out to produce a national estimate based on data received.
- 9.3.20 Force data, as shown in Figures 9.8 and 9.9, indicate that staff in the Police Staff Council pay spine points 11 to 30 (£17,001 to £31,000 *per annum*) work the highest number of unsocial hours. This is particularly the case during weekends when the operational policing requirement

141 Above the nine *per cent* uplift for all Federated ranks which is presently built into basic pay

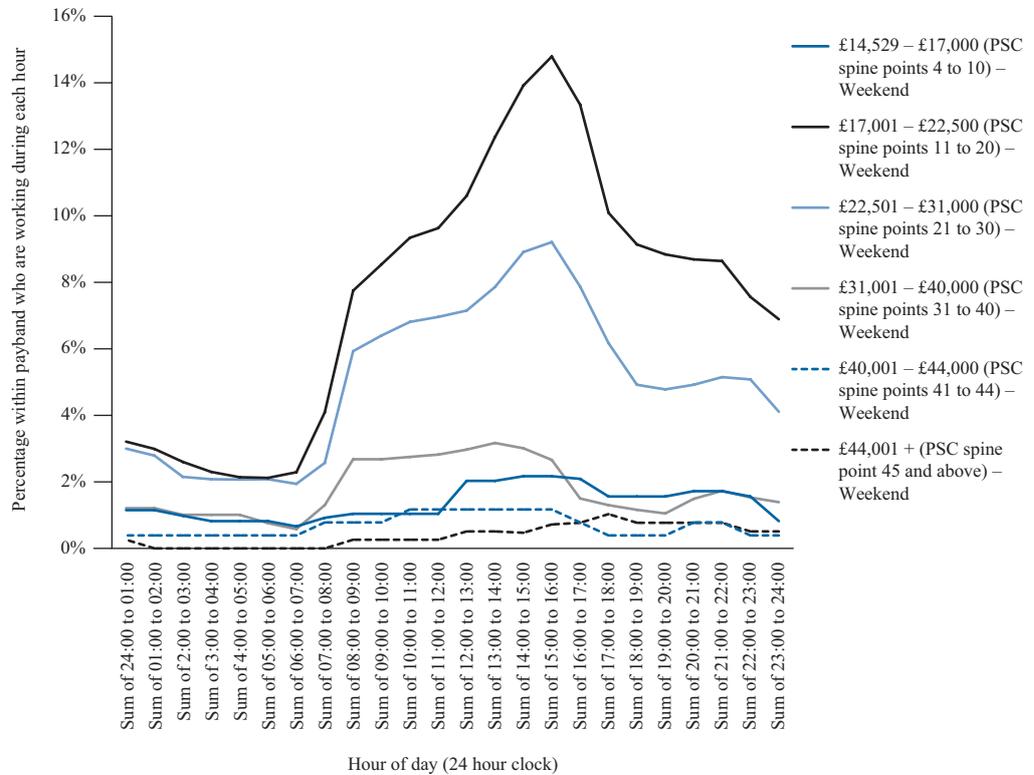
142 *Quality of Life, Life Satisfaction and Happiness in Shift and Non-Shift Workers*, K. Lipovcan, P. Larsen and N. Zganec, *Revista de Saude Publica* 38, 2004, pages 3-10

143 *Biological Clocks and Shift Work: Circadian Dysregulation and Potential Long-Term Effects*, E. Hans, and M. Smolensky, *Cancer Causes Control* 17, 2006, pages 489-500

is greatest. The unsocial hours requirement is highest between 8:00pm and midnight, after which it reduces significantly.

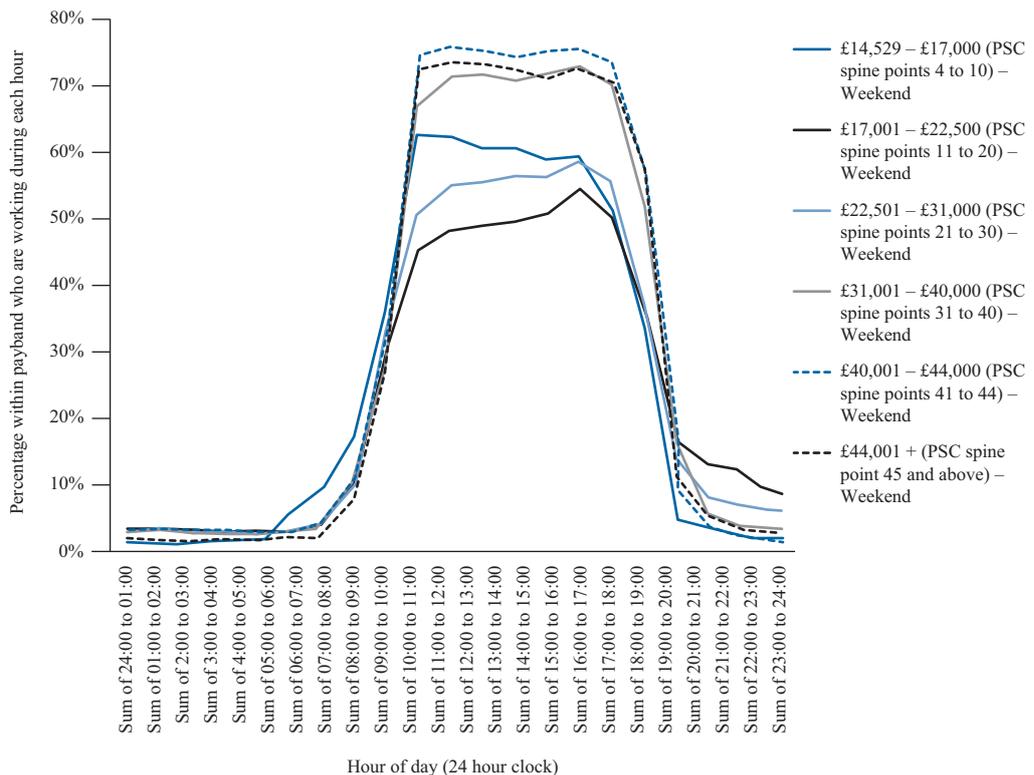
**Figure 9.8**

Police staff hours of work (weekends)

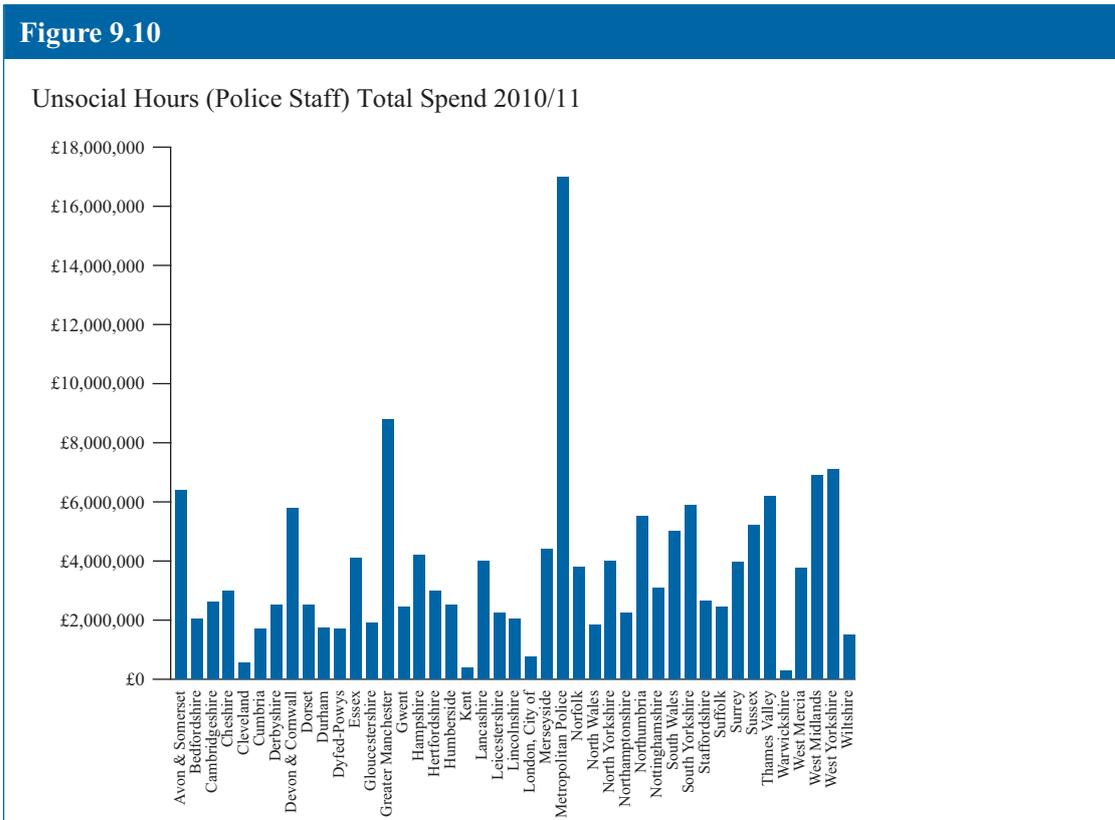


**Figure 9.9**

Police staff hours of work (weekdays)



9.3.21 Figure 9.10 shows the total unsocial hours spend for police staff during the period 2010/11, which is divided by force area. The spend is based on the present system of 20% uplift in basic pay for staff who work unsocial hours, which is not determined by the total number of unsocial hours worked. Total national spend for this period was approximately £159 million.



9.3.22 Figure 9.11 shows the comparative total spend by force area, if police staff were paid at the rate of double time for each unsocial hour worked. Based on 2010/11 data, total national spend in this case is approximately £166.5 million, which is a relatively cost-neutral comparison. In the comparative situation, the great majority of forces experience reductions in total spend, with the exceptions of the Metropolitan Police, Surrey<sup>144</sup>, Warwickshire, Kent<sup>145</sup>, Derbyshire and Wiltshire Police forces.

144 It should be noted that whilst the data show an increased cost to the Metropolitan Police Service, Surrey Police and Kent Constabularies, these forces do not participate in the Police Staff Council and as such would not be affected by the change in system which this Chapter recommends

145 Warwickshire Police and Kent Police forces data returns showed very low average unsocial pay per full-time equivalent. According to their data return, the percentage of hours worked that are unsocial by pay band is high, so the comparative system would actually result in a reduction in total spend



- 9.3.26 Instead, the APA argues that compensation for working unsocial hours, as with some other aspects of policing, should be made following a case-by-case assessment of circumstances<sup>149</sup>. This is to ensure that only police officers and staff who are working in jobs that require unsocial hours working are compensated, and that the level of compensation is appropriately determined.

*Responses by police forces and authorities*

- 9.3.27 In Part 1, I recommended that all Federated officers who work unsocial hours should be compensated at the rate of 10% above base pay for the actual hours worked<sup>150</sup>. On the question whether the recommendation should be continued in the long term, the Metropolitan Police Service (MPS) says:

*“There are considerable overhead and administration costs involved in calculating this allowance – [MPS] support the principle, but [prefers a] simpler way to deliver the allowance”<sup>151</sup>.*

- 9.3.28 West Yorkshire Police suggests that any allowance made available to police officers and staff should be periodically assessed for its effect to ensure it does not unduly disadvantage particular workforce groups:

*“The level of all payments should be reviewed periodically as a matter of good practice. This should take account of business need, the external market and the impact/availability of the payments to staff who have protected characteristics as specified in the Equality Act 2010”<sup>152</sup>.*

- 9.3.29 West Yorkshire Police also believes that the level of compensation provided to police officers and staff should consider and reflect the philosophy of harmonisation between their respective employment frameworks<sup>153</sup>.

*Response by the Police Federation of England and Wales*

- 9.3.30 The Police Federation does not believe that compensations for police officers and staff, which relate to the requirement to work unsocial hours, can be fairly compared or harmonised. The Police Federation bases its viewpoint on the separate working arrangements of each workforce:

*“Compensation for those police staff who undertake shift work, or unsocial hours, is determined through individual contracts, outside of which police staff cannot be directed to work. When police staff members enter into contracts, the expectations of them are clearly defined. The same clarity and certainty is not available for police officers.*

*“Although ‘unsocial hours’ are equally unsocial whether one is a police officer or a police staff member, there are fundamental differences in the way that members of the two groups can be required to work them. Whilst such differences exist, it is difficult to see how the methods of compensating police officers and police staff can be harmonised in this area”<sup>154</sup>.*

*Response by UNISON*

- 9.3.31 UNISON supports the prospect of harmonising the paid arrangements for police officers and staff working unsocial hours, and says that “we cannot immediately identify why there would need to be differences in the way this compensation would work”<sup>155</sup>.

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149 APA submission, page 17

150 Part 1 report, page 20

151 *Submission from Metropolitan Police Service*, October 2011, Appendix 1, page 26

152 *Submission from West Yorkshire Police*, September 2011, page 25

153 *ibid.* page 25

154 *Police Federation submission*, page 45

155 *UNISON submission*, page 32

- 9.3.32 In its submission to Part 2, UNISON included a proposed national agreement on pay and conditions of service for all public sector staff (including police staff) who are covered by the National Negotiating Council<sup>156</sup>.
- 9.3.33 UNISON's proposed arrangement includes a premium allowance of 30% for any unsocial hours<sup>157</sup> worked between Monday and Friday. A higher uplift of 50% for each unsocial hour worked would apply to Saturdays, Sundays and bank holidays<sup>158</sup>. Exceptions would include hours which form part of a contracted or flexible working arrangement.

#### *Response by Prospect*

- 9.3.34 Prospect favours preservation of the present arrangements to compensate police staff who work unsocial hours:

*"... unsocial hours [are] to be expected in many areas of police staff work. However, that does not mean it should not be properly compensated. Unsocial hours disrupt personal and family life. Where 24/7 shifts are worked, changing shift rotas disrupt sleep patterns and can damage health... The [MPS management] comparison with call centres or 24-hour supermarkets is unreasonable. Often, such workers are part-time and choose their own work pattern to meet their own personal circumstances. That does not apply to police staff, and the jobs are entirely different with vastly different levels of responsibility. Police staff (as recently demonstrated) are liable to have rest days or annual leave cancelled for operational reasons. When was the last time Barclays or Asda's (for example) did that to their staff? ... the current arrangements for recognising this through Shift Disturbance Allowance, Premium Pay, and other compensatory arrangements are justified and should be continued"<sup>159</sup>.*

#### *Additional consultation responses*

- 9.3.35 On 27 July 2011, the review held a seminar to discuss the issue of post-related pay. Mr Richard Rooney, Metropolitan Police Group of the Public and Commercial Services Union, said that segments of police staff were concerned with a potential loss of earnings as a result of changes to unsocial working time arrangements<sup>160</sup>. Mr Rooney said:

*"Police staff pay is not that great in some areas... a lot of members make their pay up with shifts and allowances... The biggest fear for [some police staff] is that they will lose that 12.5% or that 20% ... They are afraid of losing that allowance on those shifts which is part of their pay. You can understand that if they suddenly lose that 12.5%, it sounds good for the Government but it does not sound so good for them. There is a human element to all of this".*

### **Conclusion**

- 9.3.36 For the sake of simplification, and to facilitate the harmonisation of police officer and police staff terms and conditions, I recommend that the definition of 'unsocial hours' in pay arrangements is made the same for police officers and staff. It should be defined as work which takes place between the hours of 8:00pm and 6:00am, with all days of the week being of equal weight.
- 9.3.37 This recommendation will have long-term benefits to workforce planning. As with the recommendation to harmonise the overtime eligibility for police officers and staff, the objective of the recommendation is the improvement of workforce planning and deployment. It is not designed to produce cash savings and should be cost-neutral in its introduction when compared with the existing arrangements.

<sup>156</sup> *ibid.* Appendix C

<sup>157</sup> The proposed agreement includes a definition of 'unsocial hours' as 8:00pm to 7:00am, which is an hour longer than recommended in Part 1

<sup>158</sup> UNISON submission, Appendix C, page 15

<sup>159</sup> *Submission from Prospect*, September 2011, page 4

<sup>160</sup> Post-related pay seminar (2011), page 111

- 9.3.38 In relation to the hourly rate for working unsocial hours, there is a strong argument for different rates for police officers and staff. In Part 1, I said that I did not consider it would be fair to recommend a reversal of the supplemental payment that all Federated ranks have had integrated into their basic pay since 1979 in recognition of unsocial hours that they are expected to work as a matter of course. However, 33 years later, this supplemental payment has become an unfair advantage for police officers who do not work unsocial hours. What was apparent in discussions with serving police officers was that many who work regular unsocial hours are aggrieved that colleagues who do not work unsocial hours are being paid at the same rate as those who do.
- 9.3.39 I understand and sympathise with this grievance. In Part 1, I recommended that the supplemental payment of nine *per cent* incorporated in basic pay should not be withdrawn from Federated officers who do not work unsocial hours. I also recommended that those who do should receive an additional 10% in pay for each unsocial hour worked.
- 9.3.40 Given that police staff generally earn less than police officers, it is appropriate to ensure that where staff work unsocial hours, this is compensated at a higher rate *per* hour than the rate paid to police officers.
- 9.3.41 I am concerned that the provisions of the current PSC Handbook in relation to the supplemental payment for unsocial hours working encourage individuals to increase their earnings by working the most disruptive shift patterns. Not only is this unhealthy and therefore unsustainable for the individual, it also creates secondary costs for the employer in the form of ill-health absence from work
- 9.3.42 For women with children requiring variable childcare arrangements, it is likely that certain shift working arrangements are impracticable and therefore inaccessible. This is an issue of equality and fairness. Greater consistency in the hours of the day that are worked will provide more opportunities to secure affordable childcare. This increases women's access to certain roles, which serves to reduce divisiveness in the present variable shift pattern system of reward.
- 9.3.43 A change in the payment arrangements for overtime, which supplement payment of actual unsocial hours worked, will encourage greater shift consistency. Individuals who work more unsocial hours, and in particular those who work contracted night shifts, will be paid at the highest rates. This allows the individual to increase his earnings without causing undue stress on his body by working variable shift patterns.
- 9.3.44 For the outcome to be cost-neutral, and to protect the earnings of police staff who most regularly work unsocial hours, the level of uplift per unsocial hour worked should be 100% (double time), subject to further research by the PSC to ensure that this recommendation would be affordable.
- 9.3.45 The recommendation should take effect from April 2016. The Police Staff Council and other negotiating forums should spend the intervening period determining how to mitigate any undue detrimental effect that it might have on some police staff.

**Recommendation 110 – The definition of unsocial hours for police officers and staff should be harmonised. For both officers and staff, it should be defined as work which takes place between the hours of 8:00pm and 6:00am, with all days of the week being of equal weight.**

**Recommendation 111 – By April 2016, Section 1, Subsection 8 of the Police Staff Council Handbook should be replaced with a provision for the payment of police staff at the rate of 100% uplift in pay (double time) for each unsocial hour worked. The PSC should conduct further research to ensure this recommendation is affordable.**

## 9.4 On-call Allowance

### Background

#### *Officers*

- 9.4.1 The unpredictable nature of policing requires forces to ensure the availability of their workforces to enable them to respond to events and other operational requirements. This generally translates into a requirement for a certain percentage of officers, whilst off-duty, to remain on-call in case they are needed.
- 9.4.2 On-call arrangements help forces to cope with unexpected peaks in workload and provide cover in unforeseen situations<sup>161</sup>. They are particularly useful for smaller forces and in areas with few specialists where round-the-clock cover in areas other than response is impractical or uneconomic. Officers may be put on-call during their rest days, on public holidays or on annual leave, depending on the needs of the force.
- 9.4.3 As I stated in Part 1, there remains no national on-call allowance for officers. Regulation 25(2) of the Police Regulations 2003 provides that being recalled to duty does not include a warning to be in readiness for duty if required.
- 9.4.4 An officer who is on-call is essentially off duty and free to undertake the majority of his personal pursuits. For this reason, on-call does not qualify for overtime, for which the officer becomes eligible once the recall to duty has taken place. I reiterate, however, that in readiness for duty, it is necessary that the officer is:
- contactable by telephone or pager;
  - available to return to duty within a reasonable period of time;
  - able to obtain access to appropriate transport; and
  - fit for duty<sup>162</sup>.

#### *Police Negotiating Board Federated Ranks Committee 2005*

- 9.4.5 In 2005, the staff side of the Police Negotiating Board Federated Ranks Committee intimated a claim for an on-call allowance. The claim was for the following on-call daily rates of payment:
- on a normal-duty day, 0.1% of annual basic pay; for a constable with ten years' service – £36.52 *per day*;
  - on a weekly rest day, public holiday or free day, 0.2% of annual basic pay; for a constable with ten years' service – £73.04 *per day*; and
  - if on-call whilst on annual leave, 0.5% of annual basic pay; for a constable with ten years' service – £182.60 *per day*.
- 9.4.6 The official side of the PNB rejected this claim on the basis that basic pay already takes account of the need for officers to be recalled to duty if so required<sup>163</sup>; it is already being paid for. Further, the official side argued that Special Priority Payments and bonus payments could be used to remunerate officers on-call. No agreement was reached at the PNB, and the issue was therefore referred to the Police Arbitration Tribunal (PAT).
- 9.4.7 The PAT said that its consideration of the issue was hindered by the lack of complete or quality data, but nonetheless expressed concern over the significant number of forces that provided no on-call payment to officers. The PAT noted the large disparity between the Official and Staff

161 ACAS 101/2009, *On-Call Duty Allowance: Decision of the Police Arbitration Tribunal*, Police Arbitration Tribunal, August 2009, page 4

162 This includes not having consumed alcohol. (Source: *Joint Survey Conducted by the Office of Manpower Economics for the PNB Joint Secretaries*, May 2008)

163 ACAS 101/2009, *On-Call Duty Allowance: Decision of the Police Arbitration Tribunal*, Police Arbitration Tribunal, August 2009, page 2

Sides' estimates of the costs of the allowance<sup>164</sup>, and a considerable variation in how on-call allowance was defined and provided in different forces.

- 9.4.8 The PAT concluded that a nationally determined on-call allowance should be introduced, and that it should be negotiated by the two sides directly. It emphasised that the allowance, whilst its amount would be determined nationally, should be capable of being applied flexibly according to local circumstances.
- 9.4.9 No agreement was subsequently reached by the PNB, and negotiations were deferred pending the outcome of this review.

#### *Part 1 recommendations*

- 9.4.10 Following careful consideration of the arguments by both PNB sides, in Part 1 I recommended that a national on-call allowance for the Federated ranks should be introduced from September 2011. The amount of the allowance was recommended to be at the rate of £15 for each daily occasion during which an officer is required to be on-call, once the officer has already undertaken 12 on-call sessions in the year. Part 1 recommended that the on-call year should begin on 1 September, and that the definition of the allowance period should be linked to the beginning of the police day.
- 9.4.11 In Part 1, I also recommended that the national on-call allowance should be subject to review by the PNB three years after its initial introduction<sup>165</sup>.

#### *Police Arbitration Tribunal decision 2012*

- 9.4.12 In light of submissions by both sides of the PNB, the PAT determined as follows:

*“Some of the evidence presented to the Tribunal, particularly in the areas of equality assessments and the cost of various categories of overtime, was of variable quality. During the course of the hearings, calculations were presented to the Tribunal by both Sides as to the quantum of realisable savings. Some of this was not as precise as the Tribunal would have wished”*<sup>166</sup>.

*“The appropriate level of recompense for being on-call has been outstanding for some time. The Tribunal’s view is that being on-call is very different from being held in reserve and unable to return home, but nevertheless places some restrictions on the affected officers’ private lives. The Tribunal’s view is that the proposed level of recompense is rather low given (a) the generally high level of skills required to be possessed by officers who are on-call; (b) the proposed 12 on-call sessions qualifying period; (c) the fact that an amount of £23 has been applied in Scotland. The Tribunal agrees with the Staff Side that this is a matter which would be better for Winsor Part 2 in the context of role-related pay. Therefore, the Tribunal makes no award in respect of these two recommendations”*<sup>167</sup>.

#### **Analysis**

- 9.4.13 With the exception of the material which was used by the PAT in its 2009 and 2012 conclusions, there is little quality evidence in relation to on-call. Part 1 demonstrated that of the forces which replied to the 2010 ACPO pay survey, most forces remunerated officers who were placed on-call<sup>168</sup>. Eleven forces made bonus payments and seven forces used special priority payments. Only four of the 35 respondent forces made no provision for on-call pay. I acknowledged this to be a reasonably strong indication that forces favour some form of on-call remuneration for officers.

164 The staff side estimate was £2.5 million *per annum*; the official side estimated the cost at £30-150 million *per annum*

165 Part 1 report, Recommendations 44 and 45

166 ACAS 108/2011-12, *Decision of the Police Arbitration Tribunal*, January 2012, page 31

167 *ibid.* page 42

168 ACPO submission, page 17

## Consultations

### *Response by the Association of Chief Police Officers*

- 9.4.14 In its submission to Part 2, ACPO places emphasis on what it considers to be the PNB's poor track record of working collaboratively in the negotiation of weighty issues on police officer pay, citing on-call allowances as a specific example in which the two sides have failed to reach agreement and subsequently referred issues to the PAT<sup>169</sup>.

### *Responses by police forces and authorities*

- 9.4.15 In the context of discussing the particularly onerous demands of police work, Avon and Somerset Constabulary says:

*“On-call, standby and out of hours responsibilities are probably some of the most demanding of any profession and do not carry any additional remuneration”<sup>170</sup>.*

- 9.4.16 The joint submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire police forces lists the requirement to be on-call as one of the unique aspects of being a police officer<sup>171</sup>. It asserts that non-pensionable, banded payments should be made for working overtime or being placed on-call, depending upon the range of hours which qualify for the payment<sup>172</sup>.

### *Response by the Police Federation of England and Wales*

- 9.4.17 The Police Federation believes that doing on-call duty should be voluntary, and that there should be a national on-call allowance for officers<sup>173</sup>. It argues that being on-call places severe restrictions on the personal lives of officers<sup>174</sup>.

- 9.4.18 During a seminar on deployment held by the review for Part 1, the General Secretary to the Police Federation said:

*“The police arbitration tribunal said [the on-call allowance] should be national because there is such a difference within the country. I am grateful for the comments in relation to recognition of the inconvenience that on-call places on individuals. And let us not forget, by placing people on-call there is a significant saving to the service because they don't have to have someone on duty and available. So it is right that it should be compensated appropriately – all ranks.*

*“My personal view is that this should be an allowance for each occasion that it is required to be worked and the on-call should be voluntary although it would be part of a role, which is the case now, because it is usually a specialist. That should still be voluntary as part of that because you are making a significant imposition on that person's private life and creating difficulties for them”<sup>175</sup>.*

## Conclusion

- 9.4.19 It is noteworthy that there have been repeated failures of both sides of the PNB to reach agreement on the issue of on-call allowances. It is however clear that both sides agree that reform is needed and that there should be an allowance payable to officers on-call. They differ on the conditions for the payment of the allowance and its amount.
- 9.4.20 Police officers required to undertake on-call duties are remunerated for it in their basic pay, irrespective of their rank or the work to which they have been assigned. It is part of the job. In

169 *ibid.* page 39

170 *Submission from Avon and Somerset Police*, September 2011, page 5

171 *Submission from Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police*, September 2011, page 24

172 *ibid.* page 26

173 *Police Federation submission*, page 3

174 *ibid.* page 39

175 *Deployment seminar (2010)*, page 49

Chapter 7, I identify and quantify the particular – in some respects unique – requirements of the police officer, and my assessment includes the requirement to be recalled to duty as needed.

- 9.4.21 When an officer of any rank or role receives notification that he must return to duty, during any category of rest period, he is required to comply. The exceptions to this rule are when the officer in question is (a) unable to be contacted; (b) further than a reasonable distance to travel; or (c) unfit for duty, which may include having taken alcohol. This recall to duty requirement is identified and accounted for in the deployment X-factor rate which applies to all ranks<sup>176</sup>.
- 9.4.22 What should separate on-call duty from the universal requirement to return to duty when ordered to do so, is the fact that some roles carry a higher likelihood and incidence of on-call than others. For example, roles that require expert knowledge, such as in firearms tactics or specialist crimes, may be required to be placed on-call many more times than an officer in a response team because the skills of the latter are less specialised or in demand. Therefore, a higher frequency of on-call duty should be rewarded separately from the general requirement to be recalled to duty that applies to all police officers (and is covered by the X-factor described in Chapter 7).
- 9.4.23 My consideration of role-related pay and the further submissions made to me in Part 2 have not altered the conclusions I reached in Part 1 in relation to on-call.
- 9.4.24 As discussed in Part 1, the Scottish Government agreed with the Scottish Police Federation that an on-call allowance of £23, increased in line with future pay awards, will be paid for each daily incident of on-call after 1 April 2011. This agreement includes a provision under which the operation and costs of the allowance must be reviewed in 12 months. The Scottish negotiations were successful, in part, because sufficient management data existed for both sides to make confident judgments as to the affordability of the Scottish scheme. This is not the case in England and Wales. Consequently, it would be imprudent for England and Wales to follow Scotland's example in every respect without a much better understanding of the financial implications for forces.
- 9.4.25 I repeat my recommendation that a nationally determined on-call allowance of £15 *per* day is introduced from 1 April 2013 for all officers in Federated ranks who are placed on-call following 12 preceding instances in the year. I further recommend that in its first triennial review the new police officer pay review body (recommended in Chapter 10) reconsiders the rate of the on-call allowance.
- 9.4.26 To assist the pay review body in this respect, I also recommend that forces compile clear management data on the voluntary deployment of officers on-call.

**Recommendation 112 – A national on-call allowance for the Federated ranks should be introduced from April 2013. The amount of the allowance should be £15 for each daily occasion of on-call after the officer in question has undertaken 12 on-call sessions in the year beginning on 1 April.**

**Recommendation 113 – The national on-call allowance should be reviewed by the new police pay review body in its first triennial review when better management data are available.**

**Recommendation 114 – Forces should compile clear management data on the voluntary deployment of officers on-call.**

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176 See Chapter 7

## 10 Negotiating Machinery

The development of pay negotiating machinery for police officers over the last century can only be described as convoluted, in some respects in reaction to severe and urgent pressures such as the police strikes of 1918 and 1919 and chronic recruitment and retention problems arising from very low pay. As a result, the police service now has negotiating machinery which is costly, cumbersome, bureaucratic and slow, and which has proved to be inefficient and in many respects ineffective at reaching timely and enduring settlements. This Chapter contains recommendations to:

- abolish the Police Negotiating Board (PNB) and replace it with an independent pay review body;
- require the Police Advisory Board to make its recommendations within six months of considering an issue;
- require the Police Advisory Board to take on consideration of questions concerning police pensions; and
- transfer considerations of the pay of officers of ACPO rank to the Senior Salaries Review Body.

In respect of police staff, the consensus in the police service is that the Police Staff Council (PSC) works reasonably well and is not in need of significant reform. My only recommendations are that:

- the PSC should receive funding of £50,000 *per annum* from police forces to enable it to conduct regular data surveys of police staff remuneration and conditions; and
- an enhanced strike resolution procedure should be negotiated for all police staff, similar to the one which operates in Surrey Police.

### 10.1 Officer Pay

#### Background

##### *History – Desborough and the Police Act 1919*

- 10.1.1 Before 1919, there was no uniformity in the pay and conditions of service for police officers. Each police authority determined its own rates of pay and allowances<sup>1</sup>, and there were considerable regional variations.
- 10.1.2 As explained in Chapter 7, the doubling of the cost of living during the First World War and the failure of police pay to keep up led to severe unrest in the police service, and the organisation of a police union to represent police officers and engage with the Home Office and police forces on matters concerning pay and conditions. There were police strikes in 1918 (about pay) and 1919 (concerning a police union). In response to the 1918 strike, in March 1919 the Government set up the Desborough Committee to consider and report on pay and conditions of service, and connected matters. Following Desborough's recommendations, Parliament passed the Police Act 1919 which made it a criminal offence for a police officer to strike or be a member of a trade union. That remains the law today.
- 10.1.3 The Desborough Committee reported in 1920, and recommended the creation of a national representative body for the police. This took the form of a consultative body called the Police Council. Its purpose was to:

<sup>1</sup> Edmund-Davies report (1), page 49

*“...enable the Police, as well as the Police Authorities, to submit their views through their chosen representatives to the Central Authority with regard to any changes of pay or other matters affecting the Service as a whole”<sup>2</sup>.*

- 10.1.4 The Police Council was a round-table conference with representatives of the Chief Constable and superintendent ranks and police authorities on one side, and representatives of the inspector, sergeant and constable ranks on the other. These conferences were to be presided over by the Home Office. It was the first instance of national police representation of the lower ranks advising the Government and senior officers.
- 10.1.5 Following the passage of the Police Act 1919, the Police Council met for the first time in July 1920. The Council was chaired by the Home Secretary, or a senior Home Office official, and adopted the Whitley Council<sup>3</sup> principle of separate official and staff sides. It remained an advisory, rather than an executive or negotiating, body until formal negotiating machinery was introduced into the service in the 1950s.
- 10.1.6 Desborough also made recommendations about the structure of the representative body that would become the Police Federation. Desborough recommended that there should be local representation of inspector, sergeant and constable ranks drawn in equal measure from the Metropolitan Police, county police and borough police forces<sup>4</sup>. Representatives of these local branches would meet at an annual national conference.

### *Oaksey 1949*

- 10.1.7 Police pay again fell behind that of other workers during and after the Second World War, and pressure for an increase was severe. In May 1948, the Government set up a committee under the chairmanship of Lord Oaksey to “consider in the light of the need for the recruitment and retention of an adequate number of suitable men and women for the police forces in England, Wales, and Scotland, and to report on pay, emoluments, allowances, pensions, promotion, methods of representation and negotiation, and other conditions of service”.
- 10.1.8 The Committee reported in 1949 and, amongst other things, recommended the establishment of a Whitley Council-style negotiating body for the police in England, Wales and Scotland, namely the Police Council for Great Britain<sup>5</sup>. The new body was to be a negotiating forum for matters such as pay, allowances, hours of duty and annual leave of most ranks. Oaksey recommended that the existing Police Council – to be renamed the Police Advisory Board for England and Wales, with its Scottish counterpart the Police Advisory Board for Scotland – should remain as an advisory body for those issues which were not to be negotiated in the new Police Council for Great Britain.
- 10.1.9 The Police Council for Great Britain was set up on 1 October 1953<sup>6</sup>. The Council consisted of an official side of up to 26 members and a staff side of up to 27 members. Oaksey recommended that the new Police Council should require unanimous agreement of the parties represented, and that any such agreement should be binding on them, subject to the overriding authority of Parliament. If agreement was not reached, the matter in question would be referred to arbitration. A separate panel of arbiters was provided for, appointed by the Prime Minister, to be brought into operation if agreement could not be reached<sup>7</sup>.
- 10.1.10 The Oaksey Committee also recommended a departure from the usual Whitley Council model; it said the membership of the new Police Council should have an independent element, to govern the ordinary procedure of business, call for any relevant information and try to reconcile differences. Three independent members were selected by the Lord Chancellor, and one was the chairman. If agreement at the Council was not reached, it would be for the

2 Desborough report, paragraph 80

3 Whitley Councils are the name given to bodies made up of representatives from labour and management, for the promotion of better industrial relations. Many of them later developed into wage negotiating bodies

4 Desborough report, paragraph 82

5 Edmund-Davies report (1), page 49

6 *ibid.* page 49

7 *ibid.* pages 49-50

independent members to give their own decision. Any such decision would, like an agreement of the Council, be binding on all parties, subject to the overriding authority of Parliament. The Committee explained the position thus: “In other words, the independent members should act in the last resort as a court of arbitration”<sup>8</sup>. This was an early model of the Police Arbitration Tribunal (PAT).

*Edmund-Davies 1978*

- 10.1.11 The work of the committee of inquiry on the police chaired by Lord Edmund-Davies in 1977/78 was carried out at a time of great dissatisfaction over pay within the police service. One of the matters within the terms of reference of Edmund-Davies was the existing negotiating machinery for police pay and conditions, and how it might be reformed.
- 10.1.12 That machinery was regarded by some as inadequate, and Edmund-Davies considered it significant that despite the existence of negotiating machinery for police pay for many years, it had nevertheless been necessary to hold periodic independent reviews of police pay (as is the case today).
- 10.1.13 At the time of Edmund-Davies’ report, the statutory negotiating body was the Police Council for the United Kingdom, established by section 45 of the Police Act 1964 and latterly regulated by section 4 of the Police Act 1969<sup>9</sup>. The Police Council continued to be based on the model of Whitley Councils and consisted of an official side representing those who act as employers and a staff side representing the several police staff bodies. There were 33 members on the official side and 28 on the staff side. It had a chairman who was elected on an annual basis alternately from each side. The Council conducted its business through five Standing Committees, charged with different aspects of the Council’s jurisdiction.
- 10.1.14 The committees operated independently. They did not refer matters upwards for consideration by the Council. If a committee failed to reach agreement, it would refer the matter directly to arbitration. Arbitration was undertaken by a separate panel of three arbitrators appointed by the Prime Minister and known as the Police Arbitration Tribunal. In most respects, the full Council was little more than a formal body. It had no responsibilities other than oversight of the standing committees where the actual work of negotiation was done<sup>10</sup>. Agreements made between the official and staff sides of the Council had the status of recommendations to the Home Secretary, who had the power under the Police Act 1964 to accept or reject them. An award by the Police Arbitration Tribunal also had the status of a recommendation by the Council to the Home Secretary<sup>11</sup>.
- 10.1.15 As an alternative to the Police Council, Edmund-Davies considered the possibility of a pay review body. However he did not recommend it because there was almost no support for the proposition amongst the existing participants (particularly the staff side) in the Police Council, involving as it would an abandonment of the process of collective bargaining. Edmund-Davies considered that the imposition of such a system against the wishes of both sides of the Police Council would lead to a resentment of the loss of full participation in a negotiation process which they had enjoyed for so long<sup>12</sup>. Edmund-Davies also attached weight to the advantages which the existing system afforded each side, namely the opportunity for the official side to build up knowledge of police affairs, and the ability of the staff side to hear at first hand the employers’ point of view and to advance counter-arguments where appropriate. As explained below, these factors no longer prevail to the same extent, or at all.
- 10.1.16 Edmund-Davies recommended no change in the composition of the staff side. Although the Committee resisted the call of the Police Federation to remove the local authority representatives, the Committee did accept ACPO’s argument that local authority

8 Oaksey report, page 387

9 Edmund-Davies report (1), page 2

10 *ibid.* page 7

11 *ibid.* page 7

12 *ibid.* page 16

representatives should have direct experience of police affairs<sup>13</sup>. The Edmund-Davies Committee recommended no changes to either the size or the committee structure of the Police Council<sup>14</sup>. However, in response to representations particularly from ACPO and the Police Superintendents' Association, Edmund-Davies recommended that there should be an independent chairman appointed by the Prime Minister. An independent secretariat would also serve both sides of the negotiating body<sup>15</sup>. Edmund-Davies also recommended no change to the arrangements for arbitration or the powers of the Secretaries of State to withhold approval from Police Council agreements<sup>16</sup>. Following his report, Parliament passed the Police Negotiating Board Act 1980, which formally established the Police Negotiating Board (PNB). The legislation abolished the Police Council and transferred its functions to the PNB.

10.1.17 The PNB has continued to operate since it was established in 1980.

#### *Review of the negotiating machinery – 2005*

10.1.18 In September 2005, the chair of the Police Negotiating Board, Mr John Randall, was invited by the Home Secretary to review the current machinery and make proposals for reform. Mr Randall considered the arguments for and against a pay review body. In its favour, he argued that the pay review body approach was more strongly evidence-based and it could take a more strategic and proactive approach, with assistance from experts outside the police service. He noted that historically the negotiating process had been supplemented by independent external reviews, such as the Committees chaired by Lord Edmund-Davies and Sir Patrick Sheehy. These two reviews had very different receptions amongst serving officers, and he noted that:

*“The experience of Sheehy may well colour views on the part of the staff associations to the desirability of entrusting pay determination to a review body”<sup>17</sup>.*

10.1.19 Most importantly, he acknowledged that whilst the existing machinery was not perfect, it did nevertheless have a degree of confidence amongst the sides, albeit for different reasons. For the staff side, the ability to negotiate directly with management was part of the “overall ‘social contract’ governing their conditions of service”<sup>18</sup> and a direct consequence of their inability to withdraw their labour. For the official side, a pay review body would dilute their influence and essentially make them just one contributor to the evidence-based process that a pay review body would adopt. The direct engagement of the parties which make up the official side of the negotiating machinery enables it to take full account of the wider policy objectives of both Government and force management. With the possible exception of chief officers, for which he accepted that there may be a case for their inclusion in the Senior Salaries Review Board, Mr Randall concluded that:

*“A negotiating body, rather than a pay review body, remains the appropriate means of determining police pay”<sup>19</sup>.*

10.1.20 Instead, relatively minor changes were recommended and accepted, such as the allocation to the trade union side of the Police Staff Council of two seats on the Police Advisory Board, and greater use of locally-negotiated recruitment and retention allowances.

#### *Sir Clive Booth's report, 2007*

10.1.21 Following a failure to reach a settlement on pay at PNB in 2006, after which the PAT ruled in favour of the staff side with a recommended 3% increase, the Home Secretary commissioned Sir Clive Booth to review the negotiating machinery. Sir Clive reported in December 2007. In assessing the effectiveness of a slightly reformed Police Negotiating Board against the

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13 *ibid.* pages 17-19

14 *ibid.* pages 24-25

15 *ibid.* pages 30-31

16 *ibid.* pages 34-37

17 *Collective Bargaining for a Modernised Workforce*, J. Randall, London, 2005, page 31

18 *ibid.* page 32

19 *ibid.* page 7

alternative of a pay review body, Sir Clive developed and used nine criteria set out in the comparison Table 10.1.

<b>Table 10.1: Reproduction of the criteria used and assessed by Sir Clive Booth, 2007</b>		
<b>Criteria</b>	<b>Option A – Reform of PNB</b>	<b>Option B – Replacement of PNB with a pay review body</b>
1. Incorporate safeguards against exploitation because police officers are unable to strike	✓✓	✓✓
2. Achieve good levels of recruitment, retention, motivation and morale in a high calibre workforce	✓	✓✓
3. Maintain good industrial relations	?	?
4. Enable developments which support modernisation and the effective use of the whole workforce	?	✓✓
5. Deliver a medium to long term strategy appropriate to a modern, dynamic, effective and efficient police service	✗	✓✓
6. Adopt an inclusive approach which allows all interested parties to be able to contribute effectively to the pay determination process	✗	✓✓
7. Achieve timely, affordable and, as far as possible, mutually acceptable outcomes within the context of the Government's public sector pay policy	?	✓✓
8. Provide the right balance between a national framework and local flexibility	✓	?
9. Accommodate the devolved UK system of government	✓✓	✓✓
Key: <sup>20</sup> ✓✓ = Satisfies the criterion ✓ = Substantially satisfies the criterion ✗ = Does not adequately satisfy the criterion ? = Some considerable uncertainty about ability to satisfy or substantially satisfy the criterion		

- 10.1.22 As a result of this analysis, Sir Clive recommended that a pay review body should be established for police officers. In particular, he argued that pay review bodies are better able to accommodate groups which cannot withdraw their labour, that they produce improved industrial relations, and have the benefit of an independent view throughout the process and not just when negotiations break down. Sir Clive also argued that pay review bodies allowed for multi-year strategy by facilitating the collaboration of both sides towards a more harmonious conclusion. Sir Clive considered the case for including police staff in a single review body. However, he noted there was a lack of support for such a system amongst consultees and that the two groups were significantly different in terms of their legal status and terms and conditions. The government accepted Sir Clive's recommendation and embarked on a consultation process in 2008 for the establishment of a police officer pay review body. However, as part of the three-year pay deal agreed in 2008, the Government halted the consultation and undertook not to introduce a police pay review body during the lifetime of the 2005 – 10 Parliament.

<sup>20</sup> *Review of Police Officer Pay Arrangements*, Sir Clive Booth, London, 2007, page 21

*Police Negotiating Board – Current position*

- 10.1.23 The Police Negotiating Board was formally established by the Police Negotiating Board Act 1980, now consolidated in sections 61 and 62 of the Police Act 1996<sup>21</sup>. The purpose of the PNB is stated in section 61(1) to be:

*“... the consideration by [persons representative of the relevant parties] of questions relating to hours of duty, leave, pay and allowances, pensions or the issue, use and return of police clothing, personal equipment and accoutrements”.*

- 10.1.24 The Home Secretary may not make regulations under section 50 or 52 of the Police Act 1996 with respect to matters mentioned in section 61(1) (other than pensions) until she has taken into consideration any recommendation made to her by the PNB, and she must, in that respect, give the PNB a draft of the regulations. The effect of this is that the PNB’s recommendations are critical to the making of any changes to pay and conditions, and the other matters covered by section 61(1).
- 10.1.25 The compositions of the official and staff sides of the PNB are stated in Table 10.2.<sup>22</sup>

<b>Table 10.2: Membership of the Police Negotiating Board</b>	
<b>OFFICIAL SIDE (Full PNB)</b>	
<b>Constituent Body</b>	<b>Total</b>
The Secretaries of State (Home Secretary, Northern Ireland Minister for Justice and Scottish Cabinet Secretary for Justice)*	3*
Association of Police Authorities of England and Wales (including one member representing the Metropolitan Police Authority)	11
Convention of Scottish Local Authorities	3
Northern Ireland Policing Board	1
Association of Chief Police Officers (including the Metropolitan Police Commissioner) and Association of Chief Police Officers in Scotland	4
<b>TOTAL</b>	<b>22</b>

\*If either the Northern Ireland Minister for Justice’s representative or the Scottish Cabinet Secretary for Justice’s representative is unable to attend a meeting, the Home Secretary may send an additional representative.

<b>STAFF SIDE (Full PNB)</b>	
<b>Constituent Body</b>	<b>Total</b>
Chief Police Officers’ Staff Association	2
Police Superintendents’ Association of England and Wales	2
Police Federation of England and Wales	7
Association of Chief Police Officers in Scotland	1
Association of Scottish Police Superintendents	1
Scottish Police Federation	4
Superintendents’ Association of Northern Ireland	1
Police Federation for Northern Ireland	2
Staff Side Chairman and Secretary	2
<b>TOTAL</b>	<b>22</b>

<sup>21</sup> *Police Negotiating Board Annual Report, 2000/01, page 19*

<sup>22</sup> *PNB Circular 01/19, 6 August 2001, paragraph 7*

- 10.1.26 The PNB also has an independent chair and deputy chair appointed by the Prime Minister. Their role is to provide a neutral, independent voice in the negotiations. The chair assists in bringing the parties to agreement, through support, informal mediation and conciliation. The chair must present an annual report to the Prime Minister about the process and recommendations of the PNB during the reporting year.

*How the PNB works*

- 10.1.27 A PNB recommendation is normally achieved through consensus. PNB meetings take place quarterly and usually last approximately half a day. The principal attendees are the independent chair, the secretary and chair of the official side and the secretary and chair of the staff side. To submit a claim or make a proposal, the claimant side writes to the other before a PNB meeting (with a copy to the independent chair) setting out its claim or proposal. The matter is then considered at the next meeting. At quarterly meetings, the PNB operates through a sequence of informal and formal meetings. Informal, or “behind the chair” (as they have come to be called) meetings involve the independent chair and deputy, with the two sides’ secretaries and the independent secretary, and one or two other negotiators from each side. In adjournments of these meetings, the negotiators are able to obtain further instructions from their side, if they need them. This process enables formal agreements to be reached in meetings of the full Board<sup>23</sup>. Three standing committees of the PNB also meet, if required, on the day of the full PNB meetings. These deal with matters concerning the Federated ranks, the superintending ranks and chief officers<sup>24</sup>.
- 10.1.28 The 2010/11 PNB annual report explained that:
- “Much of the work of PNB is carried on outside the formal quarterly meetings. Many issues are resolved between the Side Secretaries, either on a bilateral basis, or through the quarterly Joint Secretaries’ meeting”<sup>25</sup>.*
- 10.1.29 The quarterly joint secretaries’ meetings are chaired by the independent secretary. They resolve matters delegated to the Joint Secretaries by the full PNB, settle straightforward matters that do not require full PNB consideration, and agree the PNB agenda and guidance to forces in relation to interpretation of an agreement<sup>26</sup>. Working parties on specific issues can also be established by the full PNB or standing committees. For example, in 2010/11 there were five such working parties dealing with issues such as gender, equality and work-life balance and mutual aid. Working parties usually include representatives nominated by the sides. Decisions reached by working parties must go back to the PNB or the relevant standing committee before any recommendation is submitted to the Home Secretary.
- 10.1.30 Once an agreement has been reached at PNB, details are circulated to forces in the form of a PNB circular. These are normally issued by the independent secretariat, but they are drafted by the official and staff sides. Since all PNB agreements need to be approved by the Home Secretary, these circulars are advisory until the Home Office issues a ratifying circular and the necessary regulations and/or determinations are made. There are occasions when the approval of the Home Secretary is not required, such as for the publication of PNB guidance. In such cases, forces can proceed and implement the agreement immediately.
- 10.1.31 The Home Secretary, the Scottish Cabinet Secretary for Justice and the Northern Ireland Minister for Justice each have the power to direct the PNB and its standing committees to consider and reach agreement on such matters as may be specified, and to set deadlines for the PNB to complete its consideration of such matters. These powers are reserved for cases in which Ministers consider their use to be justified as a matter of serious national importance to the police service. They can be used only following consultation with the independent chair.

<sup>23</sup> *Police Negotiating Board, Ninth Annual Report of the Independent Chair 2008-2009*, London, 2009, page 5

<sup>24</sup> *ibid.* page 5

<sup>25</sup> *Police Negotiating Board, Eleventh Annual Report of the Independent Chair 2010-2011*, London, 2011, page 5

<sup>26</sup> *ibid.* pages 5-6

- 10.1.32 If the PNB fails to reach agreement, the matter can be referred to conciliation. During conciliation, the independent chair or facilitator tries to bridge the differences between the parties. Conciliation differs from arbitration, in that the person conducting the process cannot impose a solution. Conciliation begins as soon as is reasonably practicable and, in any event, within a month of the failure to agree having been recorded. Conciliation tends almost invariably to be in the form of informal, confidential discussions, held jointly or separately or in a combination of both. There may well be some written background material used in conciliation, but it is relatively rare for formal written representations to be used.

#### *Police Arbitration Tribunal and judicial review*

- 10.1.33 If conciliation fails to produce an agreement, the matter may be referred to the Police Arbitration Tribunal, at the instance of either side. Section 62(2) of the Police Act 1996 provides that the constitutional arrangements of the PNB must regulate the procedure for reaching agreement on a recommendation to be made by the PNB "... and shall include provision for arriving at such a recommendation by arbitration in such circumstances as may be determined by or under the arrangements".
- 10.1.34 Before referral, the sides agree the terms of reference to arbitration. If the failure to agree concerns a matter subject to a Ministerial direction, a reference to arbitration is mandatory. The PAT comprises three arbitrators appointed by the Prime Minister. It receives assistance from the Advisory, Conciliation and Arbitration Service (ACAS). Both sides submit written representations to the PAT in advance of a formal hearing, which is private. Apart from representatives of both sides, the tribunal members, the secretary and those assisting from ACAS, no one else attends hearings of the PAT.
- 10.1.35 Paragraph 39 of the PNB constitution states:
- "Any decision of the arbitrators will be treated as though it were an agreement of the two Sides of the [PNB] or the standing committee in question".*
- 10.1.36 A PAT award therefore goes as a recommendation to the Home Secretary, but it is not binding on her. Decisions of Ministers are susceptible to judicial review, and that of course includes the decision of the Home Secretary on the making of regulations under section 50 of the Police Act 1996<sup>27</sup>.

#### **Analysis**

- 10.1.37 Examination of PNB Annual Reports from 2000/01 until 2010/11 shows that a total of 143 agreements were reached: of these, 17 followed referral to the Police Arbitration Tribunal<sup>28</sup>. Figure 10.1 shows the number of agreements in each year since 2000.

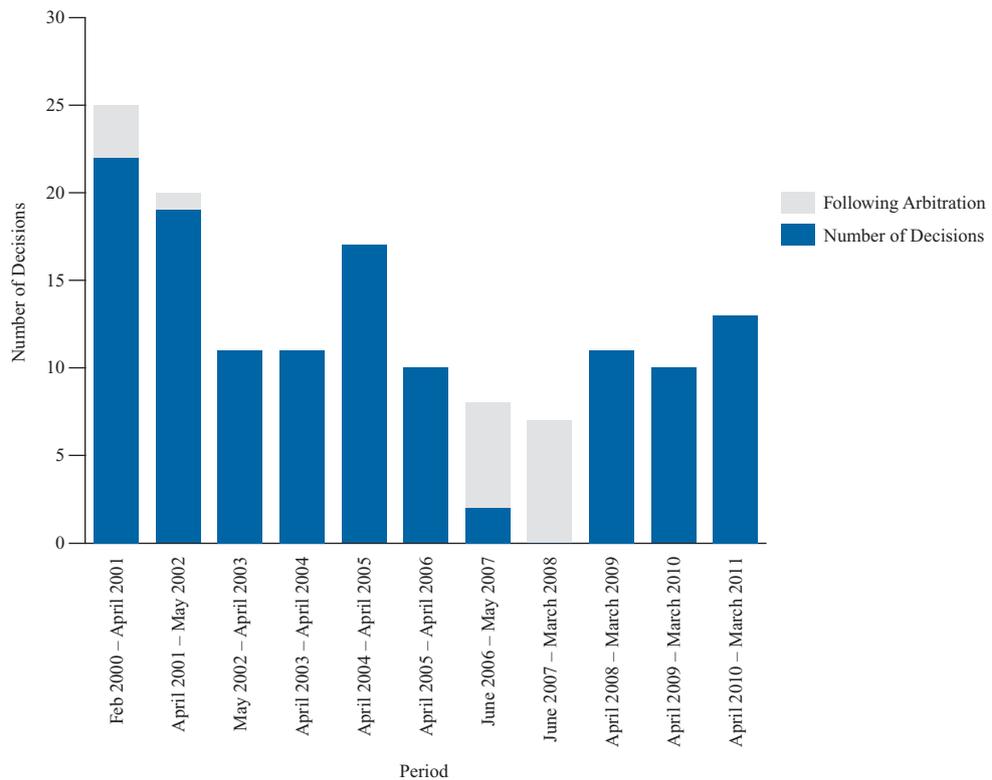
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<sup>27</sup> See for example the unsuccessful claim for judicial review of the decision of the Home Secretary, on the basis that police officers had a legitimate expectation in respect of pay increases recommended by the PNB: *The Staff Side of the Police Negotiating Board and John Francis -v- The Secretary of State for the Home Department* [2008] EWHC 1173 (Admin)

<sup>28</sup> *Police Negotiating Board, Annual Reports of the Independent Chair*; 2000/2001 to 2010/2011

**Figure 10.1**

Number of Decisions Reached by PNB 2000–2011



- 10.1.38 Analysis of the same reports shows considerable variations in the time taken for the PNB to reach agreement. The time taken ranges from two months to two years and seven months, depending on the issue<sup>29</sup>. In some cases, the length of time taken to resolve a matter is a reflection of the difficulty of the issue, a lack of agreed evidence, or a significant difference between the sides. In a small number of cases, delay may be tactical, as it may suit both sides not to bring a dispute to a head.
- 10.1.39 The PNB is a Home Office non-departmental public body. In 2011/12, its cost is expected to be £416,953.

### *PNB Meetings*

- 10.1.40 Details of the PNB meetings in 2010/11, and of attendance at full PNB, are set out in Table 10.3.

**Table 10.3 Meetings and number of attendees for PNB committees and working parties in 2010/11**

Federated Ranks Committee	4 regular meetings, held in April, July, October and January in conjunction with full PNB
Superintending Ranks Committee	One meeting held in January 2011 in conjunction with full PNB
Chief Officers Committee	3 regular meetings held in April, July and January in conjunction with full PNB

<sup>29</sup> *ibid.*

<sup>30</sup> *Police Negotiating Board, Eleventh Annual Report of the Independent Chair 2010-2011, London, 2011, pages 49-50*

**Table 10.3 Meetings and number of attendees for PNB committees and working parties in 2010/11 *continued*.**

PNB Working Parties	Police Pensions Review: 3 working party meetings
PNB Working Parties	Mutual Aid: 5 working party meetings
	On Call: 3 working party meetings
	PNB Future Data Requirements: 3 meetings
	Gender, Equality and Work-life Balance Working Party: 5 meetings

**Table 10.4 Meetings and number of attendees for full PNB in 2010/11<sup>30</sup>**

Dates of PNB meetings	Attendance		
	Official Side	Staff Side	Independent Element
15 April 2010	28	27	3
28 July 2010	29	28	3
28 October 2010	26	28	3
20 January 2011	27	31	3

- 10.1.41 It is important to appreciate the level of abstraction from other responsibilities that the PNB causes its attendees. For these purposes, the most recent year has been chosen, namely 2010/11. Meetings of the full PNB last, on average, between four and five hours<sup>31</sup>. Taking the more conservative figure of four hours gives a total of 944 man-hours discussing issues in full PNB. Using the same methodology, in 2010/11 working parties consumed over 500 man-hours<sup>32</sup>.
- 10.1.42 In total, approximately 1,450 man-hours were spent in meetings of the PNB or its working parties in 2010/11. This figure further demonstrates that the PNB is not as efficient as it should be. Many of the attendees hold important positions outside the negotiating machinery. Furthermore, this figure does not take account of the additional official side and staff side-only meetings that are necessary to agree policy positions and negotiating tactics before PNB meetings. If these meetings are included, as they ought to be, the amount of abstraction from other responsibilities would be seen to be even greater.

<sup>31</sup> Information obtained in discussions with Mr John Randall, chairman of PNB

<sup>32</sup> Information on the number and length of working party meetings, together with their attendees was obtained from the Office of Manpower Economics on 27 October 2011

10.1.43 In his 2005 report, the chairman of the PNB recommended that:

*“PNB should reform its procedures, so that they are less wasteful of the time of those who attend”<sup>33</sup>.*

10.1.44 The chairman suggested that PNB business should be conducted by a substantially smaller number of people, essentially the small group which attends the ‘behind the chair’ meetings. The recommendation was not acted upon because it did not have sufficient support in PNB.

*Alternative machinery – Fire service<sup>34</sup>*

10.1.45 In determining whether the PNB should be retained, reformed or replaced, it is important to ascertain how other public sector organisations determine their pay and conditions. These precedents range from variations to the Whitley Council model to independent pay review bodies.

10.1.46 The National Joint Council (NJC) for Local Authority Fire and Rescue Services is the negotiating mechanism for the fire service. It is a voluntary body which covers uniformed fire service employees from firefighter to area manager level (approximately 56,000 employees) and covers the whole of the UK. There are 14 members on each side. Local government representatives from England, Wales, Scotland and Northern Ireland make up the employers’ side. The employees’ side is made up solely of the Fire Brigades Union (FBU). The NJC has an independent chair. The NJC’s negotiating remit covers duty systems and hours of duty, pay, allowances, leave, health and safety, grievance procedures, conduct and discipline, and provision for maternity. Pensions are excluded<sup>35</sup>.

10.1.47 Once changes are agreed, all fire authorities must implement them. There is, however, much greater freedom than has historically been the case for individual fire authorities to implement change locally if they wish. For example, a number of fire and rescue services, including in London, have agreed and implemented alternative shift systems, which include changes to the length of the working day. If the NJC fails to reach agreement, the issue is referred to ACAS for conciliation. Where conciliation fails, either side may take the matter to binding arbitration through ACAS. The NJC costs approximately £70,000 *per year* to run.

*Armed Forces Pay Review Body (AFPRB)*

10.1.48 The AFPRB’s annual report states that its purpose is to:

*“... provide independent advice to the Prime Minister and the Secretary of State for Defence on the remuneration and charges for members of the Naval, Military and Air Forces of the Crown”<sup>36</sup>.*

10.1.49 The AFPRB covers pay, specialist pay, x-factor, compensatory allowances, food and accommodation charges. It presently has eight members.

10.1.50 The AFPRB receives written representations from the Ministry of Defence (MoD) as well as holding evidence sessions with the Secretary of State and service chiefs. Members of the AFPRB also undertake an extensive programme of visits (27 in 2010<sup>37</sup>) to talk to serving personnel at home and overseas. They also visit families of service personnel. Reports and recommendations are submitted to the Prime Minister and the Secretary of State for Defence.

10.1.51 In 2010, AFPRB members’ fees were approximately £66,000 (paid by the Ministry of Defence) with OME staff costs of around £214,000 (paid by the Department for Business, Innovation & Skills).

33 *Collective Bargaining for a Modernised Workforce*, J. Randall, 2005, page 42

34 All information taken from LGE presentation to new employers’ side members

35 *NJC Circular 05/04*

36 *Armed Forces’ Pay Review Body Fortieth Report – 2011*, Cm 8019, March 2011, page 3

37 *ibid.* pages 85 and 86

*NHS Pay Review Body*

10.1.52 The National Health Service Pay Review Body (NHSPRB) covers all staff employed under the Agenda for Change pay system<sup>38</sup>. This covers almost all staff in the NHS, with the exception of doctors, dentists, very senior managers and those working for organisations contracted to provide services to the NHS. In Northern Ireland, social care workers are covered by Agenda for Change and so fall within the NHSPRB's remit.

10.1.53 The terms of reference of the NHSPRB are:

*“The NHS Pay Review Body (NHSPRB) is independent. Its role is to make recommendations to the Prime Minister, the Secretary of State for Health, the First Minister and the Cabinet Secretary for Health and Wellbeing in Scotland, the First Minister and the Minister for Health and Social Services in the National Assembly for Wales and the First Minister, Deputy First Minister and Minister for Health, Social Services & Public Safety of the Northern Ireland Executive, on the remuneration of all staff paid under Agenda for Change (AfC) and employed in the National Health Service (NHS).*

*In reaching its recommendations, the Review Body is to have regard to the following considerations:*

- *the need to recruit, retain and motivate suitably able and qualified staff;*
- *regional/local variations in labour markets and their effects on the recruitment and retention of staff;*
- *the funds available to the Health Departments as set out in the Government's Departmental Expenditure Limits;*
- *the Government's inflation target;*
- *the principle of equal pay for work of equal value in the NHS; and*
- *the overall strategy that the NHS should place patients at the heart of all it does and the mechanisms by which that is to be achieved.*

*The Review Body may also be asked to consider other specific issues.*

*The Review Body is also required to take careful account of the economic and other evidence submitted by the Government, Trades Unions, representatives of NHS employers and others.*

*The Review Body should take account of the legal obligations on the NHS, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.*

*Reports and recommendations should be submitted jointly to the Prime Minister, the Secretary of State for Health, the First Minister and the Cabinet Secretary for Health and Wellbeing in Scotland, the First Minister and the Minister for Health and Social Services in the National Assembly for Wales and the First Minister, Deputy First Minister and Minister for Health, Social Services & Public Safety of the Northern Ireland Executive”<sup>39</sup>.*

10.1.54 In addition to the standing terms of reference, the Agenda for Change provides for the review body to make recommendations on new national recruitment and retention premia, and on the value and geographical coverage of high cost area supplements. The review body does not publish its reports: they are presented to Parliament formally as Command Papers by the respective governments. The United Kingdom Government and devolved administrations decide when to publish the NHSPRB's reports and how to respond to recommendations.

<sup>38</sup> See Glossary for a definition of Agenda for Change

<sup>39</sup> *NHS Pay Review Body, Twenty-Fifth Report 2011*, Cm 8029, March 2011, page iii

*School Teachers Pay Review Body*

- 10.1.55 The School Teachers Pay Review Body (STRB) makes recommendations on teachers' pay and conditions. When agreed by the Secretary of State for Education, they take effect in the School Teachers' Pay and Conditions Document (STPCD) which "...contains the statutory requirements for teachers' pay and conditions that maintained schools and local authorities in England and Wales must abide by"<sup>40</sup>. The STPCD covers professional responsibilities and working time. Other conditions of service, such as sick leave and maternity leave, are negotiated between employers and teacher unions/associations and the decisions are published<sup>41</sup>.

*Senior Salaries Review Body*

- 10.1.56 The Senior Salaries Review Body (SSRB) considers the pay of judges, generals, senior civil servants and very senior managers in the NHS. The SSRB also considers issues concerned with senior public sector staff if requested to do so by the Cabinet Office and some other authorities; for example, the SSRB has made recommendations on the pay of police and crime commissioners, members of the Greater London Assembly and the Northern Ireland senior civil service.

**Consultation***Response by the Association of Chief Police Officers*

- 10.1.57 ACPO considers the essential question to be whether police officer pay should continue to be agreed through collective bargaining or by means of a pay review body. Any change must create a system that is effective, modern and fair, and which police officers are confident will properly reward them for their work<sup>42</sup>.
- 10.1.58 ACPO is in favour of a move to a pay review body. It believes that the current PNB arrangements are insufficiently strategic because PNB operates in response to both sides tabling claims and counter-claims. ACPO criticises the PNB for being "...slow, cumbersome and unnecessarily adversarial"<sup>43</sup>.
- 10.1.59 In ACPO's view:
- "The most compelling argument in support of retaining free collective bargaining is that both Sides retain control of the agenda and subsequent decisions in respect of pay and conditions. The evidence of recent years is that the big decisions, most notably in respect of annual pay increases and an on-call allowance, have been passed to the arbitrator. The Sides of PNB have a poor track record of working collaboratively together in reaching agreement and effecting strategic change in a timely manner"*<sup>44</sup>.
- 10.1.60 ACPO also believes that the determination of the remit of a pay review body is of the greatest importance. Rather than a narrow remit dealing primarily with annual pay increases, ACPO would prefer the pay review body to have a wider remit which would enable a more strategic approach to determining pay and conditions. ACPO adds that it is also necessary for there to be a decision whether the pay and conditions of chief officers should be determined by a police pay review body or an alternative, such as the Senior Salaries Review Body<sup>45</sup>.

*Response by the Association of Police Authorities (APA)*

- 10.1.61 The APA "concede that the existing pay negotiation machinery has both advantages and disadvantages which are outlined below:"<sup>46</sup>

40 *School Teachers' Pay and Conditions Document 2011 and Guidance on School Teachers' Pay and Conditions*, Department for Education, 2011

41 *Conditions of Service for School Teachers in England and Wales (Revised Edition)*, Local Government Employers, 2011

42 ACPO submission, page 38

43 *ibid.* page 38

44 *ibid.* page 39

45 *ibid.* page 39

46 APA submission, page 35

*“Advantages:*

- *The role of the employer and employee are clearly defined.*
- *Strategic objectives can be implemented nationally (provided agreement is reached).*
- *On a morale level, officers are more likely to accept change to their terms and conditions if it is agreed between their representative body and the employer (as opposed being imposed through a Pay Review Body).*
- *Negotiating pay centrally benefits from economies of scale. There is not the manpower or skill for forces to individually negotiate police pay and conditions.*
- *Standardised pay [that] nationally supports movement between forces in the course of a career can be of benefit both to forces and to individuals.*
- *National negotiations free up management time to deal with running the force.*

*“Disadvantages:*

- *Current system is slow / costly.*
- *Questionable how well coordinated the activities of the Official Side are compared to the Staff Side.*
- *Lack of statistics / detailed financial information makes it extremely difficult to make informed decisions.*
- *A Home Secretary Determination can have massive effects on force morale.*
- *Loss of institutional knowledge and experience through member turnover”<sup>47</sup>.*

10.1.62 The APA believes that one of the strengths of PNB is that the ‘employer’ and ‘employee’ are clearly defined. In its view, “[t]his provides the workforce with confidence that decisions concerning their employment and wellbeing are being directly decided/negotiated between their representatives/employers”<sup>48</sup>.

10.1.63 The APA states that the large number of attendees at PNB may well weaken its effectiveness, and that the possibility of streamlining decisions and structure should be considered. It specifically suggests that the Home Office could be removed from the official side, which would lead to its being composed of elected representatives with oversight of force budgets (APA) and those with responsibility for direction and control of officers (ACPO). According to the APA, this could remove the perception that the Government essentially has “two bites at the cherry” during the negotiations – once at PNB and then at the point when the Home Secretary makes a determination following any negotiation<sup>49</sup>.

*Response by the Association of Police Authority Chief Executives*

10.1.64 APACE believes that “[t]he current pay negotiating machinery is probably the most cumbersome, bureaucratic, impenetrable and frustrating and lacks openness and transparency”<sup>50</sup>. It recommends a thorough review of the whole negotiating machinery (PNB, PAT and the Police Advisory Board) to bring the police service into line with other modern employment negotiating mechanisms. In particular, APACE argues that any future machinery must include representatives of police and crime commissioners.

*Response by the Local Government Group*

10.1.65 The Local Government Group argues that the PNB should be reformed rather than replaced. Like the APA, the Local Government Group suggests that the Home Office and its counterparts in Scotland and Northern Ireland should set the PNB’s parameters and have the ability to direct

47 *ibid.* page 35

48 *ibid.* page 35

49 *ibid.* page 36

50 *Submission from Association of Police Authority Chief Executives*, September 2011, pages 7-8

its agenda, but they should not sit on PNB itself. This would enable “...appropriate levels of control over the negotiating process but without Ministers and civil servants having to [engage with] the minutiae of negotiations”<sup>51</sup>.

*Responses by police forces and police authorities*

10.1.66 By contrast, Lancashire Police Authority states that the need to include a role for PCCs means that a pay review body should be “avoided at all costs, as it would mean that [PCCs], who will control the police budget, will not have any part in the pay negotiations which will have a significant impact upon their budget”<sup>52</sup>.

10.1.67 According to West Midlands Police,

*“[t]he current national arrangements are overly complex, bureaucratic and cumbersome. There is an opportunity ... to work towards combining the separate bodies of the PNB, PAT [Police Arbitration Tribunal] & PSC [Police Staff Council] into a single national negotiating group, reflecting the Single Employment Framework”<sup>53</sup>.*

*Response by the Police Federation of England and Wales*

10.1.68 In its submission, the Police Federation states that:

*“A statutory body to negotiate pay and conditions is essential given the restrictions on police officers which prevent them from taking any form of industrial action. It is difficult to see how else police officers could have confidence in such a system”<sup>54</sup>.*

10.1.69 It warns that: “the abolition of the PNB could mean an end to the harmonious industrial relations that have characterised the last thirty years”<sup>55</sup>.

10.1.70 The Police Federation also points out that the manner in which the PNB works has a number of strengths. For example, it says “agreements in the PNB are reached not imposed. Both sides, through the process of negotiation and compromise, reach agreements upon which they can both have a sense of ownership”<sup>56</sup>. Furthermore, because the PNB is a national body it enables issues of national importance, such as pay, to be centrally agreed<sup>57</sup>. Through standing committees and various working parties, the PNB can also address more specific matters which require detailed negotiation by smaller groups. Additionally, the Police Federation asserts that the independent chair and secretariat provide an impartiality in the negotiation process which is uncommon in much collective bargaining.

10.1.71 In relation to the role of the Government, the Police Federation argues that decisions of the Police Arbitration Tribunal should be binding on the Home Secretary. The Home Office should also take a more strategic role by setting the parameters of the negotiations. The Police Federation suggests that whilst the Home Office need not attend full PNB meetings, it would still retain the right to direct the PNB to discuss certain matters and ratify PNB agreements<sup>58</sup>.

*Response by the Police Superintendents’ Association of England and Wales*

10.1.72 Like the Police Federation, the Police Superintendents’ Association attaches weight and value to the fact that the PNB operates on consensus rather than imposition, and that it has delivered stable industrial relations for the past 30 years. It also states that the independent chair and secretariat gives police officers’ confidence that their pay and conditions will be determined fairly<sup>59</sup>.

51 *Submission from Local Government Group*, September 2011, pages 9-10

52 *Submission from Lancashire Police Authority*, September 2011, page 12

53 *Submission from West Midlands Police*, September 2011, page 9. The arguments for and against a single employment framework – whereby police officers and staff are employed on the same terms and conditions – are given in Chapter 2

54 Police Federation submission, page 82

55 *ibid.* page 83

56 *ibid.* page 83

57 *ibid.* page 83

58 *ibid.* pages 86-87

59 Police Superintendents’ Association submission, pages 62-63

- 10.1.73 However, the Police Superintendents' Association acknowledges that the large membership of PNB can make negotiations complex. It also comments that its own voice is sometimes not heard by the official side because the staff side is dominated by the Federated ranks<sup>60</sup>.
- 10.1.74 In its submission, the Police Superintendents' Association argues that the PNB should be retained but reformed. In its view, membership should be reduced and there should be a return to indexation to keep pace with the pay of other workers in the public and private sectors. It would also like the remit of the PNB expanded to cover pensions<sup>61</sup>.
- 10.1.75 In relation to the Police Arbitration Tribunal, the Police Superintendents' Association, like the Police Federation, would like decisions of the Police Arbitration Tribunal to be binding on the Home Secretary. In its view, the Home Secretary should only be able to overrule a Police Arbitration Tribunal by securing a majority vote in the House of Commons<sup>62</sup>.

#### *Response by the Chief Police Officers' Staff Association*

- 10.1.76 The Chief Police Officers' Staff Association (CPOSA) says that the PNB:
- “... has increasingly failed to operate effectively for chief officers in recent years, as is clearly evidenced by the absence of any meaningful progress or constructive negotiation on our pay claim dating back to 2006”<sup>63</sup>.*
- 10.1.77 CPOSA, like others, says that the presence of the Home Office on the official side of PNB means that the PNB is sometimes overly focused on ministerial concerns<sup>64</sup>. In CPOSA's view, the PNB “...has had its day in relation to chief officers”<sup>65</sup>. As a result, CPOSA “... would be happy for chief police officers' pay to be dealt with in the future within a broadened form of the SSRB [Senior Salaries Review Body]”<sup>66</sup>. Like the Police Federation and Police Superintendents' Association, CPOSA argues that the findings of the Police Arbitration Tribunal should be binding on all parties<sup>67</sup>.

#### *Seminar*

- 10.1.78 On 28 July 2011, the review held a seminar to discuss the negotiating machinery. During the seminar, it was established that full quarterly meetings of the PNB have approximately 60 people attending. Councillor Malcolm Doherty, employers side chair of the Police Staff Council, commented that the PNB:
- “...is absolutely massive. It is very difficult to make progress in. There are reasons for it. When you look at the official side, there are representatives from APA, ACPO, the Police Service of Northern Ireland, the Scottish Police, the Scottish Government, the Northern Ireland Government, our independent secretariat who look after us and COSLA [Convention of Scottish Local Authorities]. However you work it, a lot of people are sat round that table. We need to look at different ways of doing it because it is just so big”<sup>68</sup>.*
- 10.1.79 In response, Ms Sarah Messenger, secretary of the official side of the PNB, said:
- “Most of the work is done behind the chair when you have a much smaller group of people who have a frank but confidential exchange with each other. Therefore, the room with the 60 people in it is either, one way or the other, rubber stamping a deal or it is rubber stamping the failure to do a deal”<sup>69</sup>.*

60 *ibid.* page 63

61 *ibid.* page 63

62 *ibid.* page 64

63 CPOSA submission, page 25

64 *ibid.* page 26

65 *ibid.* page 26

66 *ibid.* page 27

67 *ibid.* page 27

68 Negotiating machinery seminar (2011), page 67

69 *ibid.* page 68

- 10.1.80 During the seminar, the relative merits of a pay review body were discussed. Concern was expressed by Ms Messenger that this would mean that the participants of the PNB would no longer have what she described as ‘ownership’ of the process or take responsibility for the decisions made<sup>70</sup>. Councillor Doherty also made the point that any pay review body’s remit would have to be wider than pay if it was going to take over the functions of the PNB. Although Mr Steve Corkerton of HMIC said that the remit could be widened, Ms Messenger argued that a wider remit could have a detrimental effect on the speed of decision-making of any pay review body<sup>71</sup>.
- 10.1.81 The views from serving police officers varied. Inspector Robert France of Thames Valley Police thought that the pay system was “... incredibly complicated and technical”<sup>72</sup>. He also thought that the majority of officers had no awareness of how PNB worked, other than the fact that the Police Federation was there to represent their interests<sup>73</sup>.
- 10.1.82 When asked about the operation of the Police Arbitration Tribunal, Ms Messenger said that it had been used many times over the last four or five years. She believed that this was probably due to breaking the link with indexation, which required real negotiation of major issues such as pay increases. The PNB could not successfully negotiate such matters and had to resort to arbitration. There was no objection to the suggestion by the chairman of the seminar (Sir Edward Crew) that the Police Arbitration Tribunal is really a pay review body by another name<sup>74</sup>.

### Conclusion

- 10.1.83 A pay negotiating system that has lasted for over 30 years is likely to have some merit, but it is also true that its advantages can wane as circumstances change.
- 10.1.84 It is clear that a system which facilitates and often achieves agreement between two sides is desirable, as long as its results are consistent with the public interest and its operation is efficient, economical and timely. The ability of each side to give or withhold its agreement in any particular case carries with it a responsibility to behave reasonably, because the alternative is a prolonged period of uncertainty whilst the matter is arbitrated, and when a matter has been referred to arbitration that involves a loss of control over the determination of the outcome.
- 10.1.85 That said, it is also clear that there are material failings in the way in which the PNB works. The multiplicity of parties on the official side in particular has created an uncertain dynamic in PNB negotiations, and in relation to the establishment of a collective negotiating position for the official side. Moreover, despite the presence of an independent chair and secretariat, the process does appear to be too adversarial.
- 10.1.86 The number of attendees is excessive. It was striking to discover that as many as 60 people sometimes attend full PNB quarterly meetings. This makes it very unwieldy and it is very difficult to see how such a number around the table could be consistent with the efficient despatch of business. Indeed it is clear that the real decisions are taken ‘behind the Chair’ – that is, outside the meetings of the PNB – and in working parties.
- 10.1.87 PNB membership is not a full-time occupation. The people who attend the PNB have other onerous responsibilities, and their time is precious and should not be wasted. Any abstraction must be justifiable. The analysis section of this Chapter explains that approximately 1,450 man-hours were spent on PNB business in 2010/11. If the time spent in and preparing for additional official side and staff side meetings to agree policy positions and negotiating tactics were included, that figure would be considerably higher.
- 10.1.88 The most significant failing of the current system is that it has proved itself incapable of ensuring that the two sides reach agreement on the most significant matters of contention efficiently and in a timely way. That has principally been because, until recently, it never had

<sup>70</sup> *ibid.* page 70

<sup>71</sup> *ibid.* pages 73-74

<sup>72</sup> *ibid.* page 76

<sup>73</sup> *ibid.* page 76

<sup>74</sup> *ibid.* page 92

to. Despite its name, before 2006 the Police Negotiating Board had little of major substance to negotiate, particularly the annual pay award. Until 2006, police pay was indexed, so the PNB was only required to endorse the result of the application of the formula. Between April 2005 and March 2008, before the recent three-year pay settlement came into effect, the PAT determined an increasing number of questions after PNB had failed to reach agreement on them.

- 10.1.89 For these reasons, the case for ending the existing PNB arrangements is very strong. It should not continue in its current form.

### *Reform of the PNB*

- 10.1.90 There have been several proposals for the reform of the existing apparatus.
- 10.1.91 First, a number of organisations and individuals told the review that the Home Office should lose its PNB membership, but that it should retain the ability to direct which questions the PNB should consider and the timescales within which it should try to reach agreement. This, they say, would assist in the negotiation process – by removing a distorting dynamic whereby the ultimate decision-maker is also a member of one of the negotiating sides – whilst still enabling the Home Secretary to take a strategic role. Whilst I accept that removing the Home Office’s PNB membership could simplify the dynamics of the negotiations, it still would not correct the inherent and material flaws in the system.
- 10.1.92 A second area of concern for respondents is the size of the membership of PNB. As illustrated in Table 10.4, full meetings of the PNB can have approximately 60 people in attendance. Such a large number of people at a meeting is hardly likely to facilitate an efficient, timely and sound result. Reducing the number of attendees would probably help the structural weakness of the PNB, but, as Ms Messenger pointed out in the seminar on the negotiating machinery, many of the decisions are taken outside the PNB. Therefore, reducing the membership of the full PNB is unlikely, in itself, materially to improve its efficiency.
- 10.1.93 Thirdly, it is surely no coincidence that referrals to the PAT increased significantly following the Government’s decision to stop using the system of pay indexation from 2005. A return to indexation would undoubtedly return the PNB to a simpler, easier existence. There is also clear support for its return from the Police Federation. Indeed, for police officers, it appears to have worked well. Professor Richard Disney found in his report for Part 1 that the system of indexation used after the Edmund-Davies report meant that police pay broadly kept in line with, or was slightly higher than, the pay of other public sector employees.
- 10.1.94 However, as discussed in Chapter 7.6, such an index has two significant disadvantages. First, the ASHE<sup>75</sup> data upon which the formula relies is retrospective; by the time that a pay agreement is implemented, the data upon which it was based could be significantly out of date. Secondly, indexation absolves chief officers of some responsibility for the costs of their most significant and costly asset, namely their people. Pay accounts for approximately 80% of police force budgets. Public money should be actively managed, not left to external forces to determine.
- 10.1.95 Finally, several parties argued that the awards of the PAT should be binding on all parties, including the Home Secretary, in order to increase the confidence of officers in the system. They said that arbitration which can be disregarded is little more than a further round of consultation, albeit in a different forum. I consider the case for making PAT awards binding on the Home Secretary unsound because it fails to give due weight to the special position of the Government in the control of public expenditure and in the determination of the pay and conditions of an essential public service whose morale, efficiency and performance are central to the maintenance of the safety and security of citizens and their property.

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75 Annual Survey of Hours and Earnings

- 10.1.96 The Home Secretary must only take into consideration the outcome of the process, and may have greater and weightier matters to place in the balance. As the High Court said in 2008<sup>76</sup>, the Home Secretary is entitled, when considering a PNB recommendation (and therefore a PAT award, which has the same status), to have regard to wider considerations, including matters such as the need to ensure value for money and the best use of resources, affordability and Government policy on public sector pay. These are fully relevant considerations, especially in the context of a pay bill which exceeds £8 billion annually.
- 10.1.97 It has been suggested by the Police Federation and the Superintendents' Association that there should be a positive vote in the House of Commons before the Home Secretary can override a decision of the PAT. This would achieve little or nothing, because the Home Secretary is fully accountable to the House of Commons, and may be tested on her decisions at questions and in debate. In cases where the Home Secretary's decision requires the making or amendment of a statutory instrument, the House of Commons already has the power to vote against it. Political accountability for Ministerial decisions on police pay and conditions is therefore already sound.
- 10.1.98 Police officers have never had a legitimate expectation that the Home Secretary will accept PNB agreements or PAT awards. Whilst successive Home Secretaries have made it plain that they will always attach considerable weight to them, and have in practice almost always accepted them, no legal commitment has been made which ties the hands of the Home Secretary. And in my view, having regard to the wider public policy reasons given above, none should.

### *Alternatives*

- 10.1.99 In considering what recommendations to make in relation to the future of the PNB, I have been mindful that, whilst a reformed PNB could not be perfect, it could still be preferable to the other alternatives available. The analysis section of this Chapter sets out the three broad alternatives: a force-level or regional-based collective bargaining process; a nationally-based collective bargaining process without central Government representation or agreement (such as the National Joint Council (NJC) for Local Authority Fire and Rescue Services); and a pay review body.
- 10.1.100 In relation to pay being negotiated at force-level or regional-level, Chapter 7.6 sets out the reasons why police officer pay should remain based on a national pay scale for the foreseeable future. In brief, local pay determination could have an inflationary effect on the pay bill, especially as there would be no national Government control of such a significant sum of taxpayers' money. Instead, that Chapter recommends the retention of a national rate supplemented by local allowances where they are justified by evidence of recruitment and retention problems. Furthermore, such a system of local negotiation would not necessarily resolve many of the complaints made against the PNB, namely that it is slow, bureaucratic, unduly adversarial and requires significant abstraction of senior managers.
- 10.1.101 A negotiating machinery similar to that used by the fire and rescue services would reduce or remove the role of central Government. In this respect, the Police Federation and Police Superintendents' Association might find it a more favourable alternative in the light of their demand that the Home Office should merely set the strategic direction and withdraw from the process of negotiation. However, for the reasons set out in paragraphs 10.1.95 to 10.1.97, it is politically unsustainable for central Government to lose its role in the allocation of such a significant sum of taxpayers' money. More crucially, the structure of such a negotiating machinery would not remove the many weaknesses of the present PNB system. In too many respects, it would be too similar to the present one.
- 10.1.102 By contrast, the pay review body approach has a number of advantages. The experience of other parts of the public sector has demonstrated that it is capable of:

<sup>76</sup> *The Staff Side of the Police Negotiating Board and John Francis -v- Secretary of State for the Home Department* [2008] EWHC 1173 (Admin)

- being respectful of the unique status of certain employee groups in society and their lack of a right to strike (most notably the Armed Forces Pay Review Body);
- using an evidence-based approach, with the ability to challenge unfounded assertions and commission its own research;
- drawing upon external specialist professional expertise, such as labour market economists; and
- making well-reasoned recommendations in an efficient and timely manner.

10.1.103 An independent pay review body would have greater capacity and flexibility to give full consideration to the interests and arguments of particular groups within the police service. During the review's consultation on this issue, the Police Superintendents Association expressed concern that their voice is not adequately heard in PNB because PNB is dominated by the Federated ranks. A pay review body could consider submissions from individual staff associations and representative bodies without this disadvantage.

10.1.104 A pay review body could also have incorporated in its terms of reference a requirement to consider affordability and the overall fiscal context. This would be especially important in the short- to medium-term.

10.1.105 In summary, the deficiencies of the existing PNB and PAT system are severe and, in my view, incapable of effective repair. I have therefore concluded that the best approach is the abolition of the PNB (and therefore the PAT) and their replacement by a police pay review body.

#### *A new police officer pay review body*

10.1.106 An independent police officer pay review body should be established to determine police officer pay and conditions for all ranks up to, and including, chief superintendent.

10.1.107 The prohibition on police officers joining a trade union or striking does not influence the recommendation that a pay review body be established. Other public sector workers who do not have the power of industrial action, such as armed forces personnel and prison officers, are already subject to pay review bodies which work well.

10.1.108 Over time, officers will come to have more confidence in a pay review body than has been the case with the PNB. This is probably a reflection of the fact that many officers do not fully understand how the PNB works. With the advent of a pay review body, I believe there is a fresh opportunity for more direct engagement with officers. In this respect, I recommend that one of the first actions of the new police pay review body should be to set out a thorough programme of visits to forces and meetings with frontline officers.

10.1.109 The pay review body should make its judgments on evidence from a range of sources and fully reasoned arguments from interested parties. That degree of flexibility to take into consideration all relevant circumstances, including in particular how policing is changing over time, is preferable to the rigidity of a pay indexation formula.

#### *Terms of Reference*

10.1.110 I recommend the following terms of reference for a new police officer pay review body. They are modelled on, and have been adapted from, the terms of reference of the Armed Forces Pay Review Body and the NHS Pay Review Body. They are:

The police officer pay review body provides independent recommendations to the Home Secretary on the remuneration and allowances for police officers in England & Wales. In reaching its recommendations, the review body must have regard to the following considerations:

- the particular frontline role and nature of the office of constable in British policing;
- the prohibition on police officers being members of a trade union or withdrawing their labour;
- the need to recruit, retain and motivate suitably able and qualified officers;

- the funds available to the Home Office, as set out in the Government's departmental expenditure limits, and the representations of police and crime commissioners in respect of local funding issues;
- the Government's inflation target;
- the Government's policies for improving public services, including the work of the Police Professional Body to improve the accredited skills and expertise of officers;
- the work of police and crime commissioners;
- relevant legal obligations on the police service in England & Wales, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

The review body should also be required to consider other specific issues as directed by the Home Secretary, and should be required to take account of the economic and other evidence submitted by the Government, professional representatives and others.

Reports and recommendations of the review body should be submitted to the Home Secretary, and they should be published.

- 10.1.111 The recommended terms of reference exclude pensions. Unlike pay, changes to police pensions are not negotiated, although the Government does have a duty to consult the staff associations. The PNB currently provides the consultative forum for any reform of pensions. However, this would not be appropriate within an independent police pay review body. With the exception of the SSRB and the AFPRB, other pay review bodies do not consider pensions in their terms of reference. Rather than create a new forum specifically for this purpose, I recommend that once the PNB has been replaced, the consultative forum for questions concerning pensions should be transferred to the Police Advisory Boards for England and Wales, Scotland and Northern Ireland. Pensions matters should be brought to the Police Advisory Boards by the Government, and made subject to the same new consultative procedures recommended later in this Chapter.

### *Membership*

- 10.1.112 Following consideration of the membership of the other pay review bodies, I recommend that the new police pay review body should consist of six people, and should be constituted as follows:
- an independent chair;
  - two individuals with experience, at a senior level, of human resources issues in both the public and private sectors and of industrial relations;
  - one recently retired senior police officer, for example a former Chief Constable; and
  - two economists, one in the field of labour market economics and one macro-economist.

- 10.1.113 The independent chair and other members' remuneration and expenses should be consistent with those of other pay review bodies. The review body should be supported by a small secretariat based in the Office of Manpower Economics.

### *Process*

- 10.1.114 Having looked at the ways in which other pay review bodies operate, it is clear to me that in addition to receiving written and oral submissions from the interested parties, there is great value to be derived from the members of the review body visiting and talking to serving officers of all ranks. Such a regime will ensure that the review body is well-informed as to the wide variety of issues which it will be required to consider, and gains a profound understanding of the attitudes and anxieties of police officers. It will also inspire in police officers confidence in the system, demonstrating that the review body is both interested and listening to what they have to say, and what their jobs and their lives as police officers are like. Such an approach has worked well in the case of the Armed Forces Pay Review Body, and its strengths should be carried over to and made available to the police.

- 10.1.115 The terms of reference which I have proposed for the review body give it sufficient flexibility to take a wide and in-depth view of all matters concerning police pay and conditions. This is in part because the pay review body should, in years to come and in the light of experience and new evidence, consider afresh certain specified matters which have been the subject of recommendations I have made. Such a remit should ensure that this is the last police pay review of the kind carried out by Edmund-Davies, Oaksey and Desborough. If this recommendation is implemented, the police service will be able to expect more coherent and incremental reform through the independent recommendations of a standing pay review body, rather than major reform every 20 or 30 years in response to severe difficulties or pressure to change.

#### *Devolution Issues – Scotland*

- 10.1.116 The affairs of Scotland are outside my terms of reference. However, it must be acknowledged that policing in Scotland is presently undergoing major structural change with the creation of a single national police force. It is clearly a matter for Scottish Ministers and policing organisations to determine how best to settle police pay and conditions in this new structure. It would therefore be inappropriate – and *ultra vires* – for me to make any recommendation to the effect that the new police pay review body should cover Scotland. However, it may be that, over time, Scottish policing interests will regard the approach and record of the pay review body in a sufficiently favourable light that they will consider the creation of their own, or the extension of the review body for England and Wales to Scotland.

#### *Devolution Issues – Northern Ireland*

- 10.1.117 Policing in Northern Ireland is also outside my terms of reference. For the reasons which are apposite to Scotland, I do not recommend that the pay review body should also cover Northern Ireland. However, it is something that Northern Irish Ministers may decide is a proper matter for consideration in the light of the fact that the Police Service of Northern Ireland has usually followed what has been agreed at PNB. I recommend that the Home Secretary and the Northern Ireland Minister for Justice should undertake timely discussions to decide whether, and to what extent, the police pay review body might work in relation to police pay and conditions in Northern Ireland.

#### *Costs*

- 10.1.118 Having regard to the costs of the existing public sector pay review bodies, it is estimated that a new police pay review body will cost approximately £300,000 *per annum*. This amount would be needed to meet the expenses of its members and cover the costs of the OME secretariat.
- 10.1.119 In 2010/11, the Home Office provided total funding for the PNB and its official and staff sides of £490,533. Initial figures from the Home Office indicate that the final funding for 2011/12 will be lower, at £416,953, but this is still more than the estimated cost of a pay review body. Some of this funding went towards the costs of the Police Advisory Board for England and Wales, although the greater part can and should be made available to fund a new pay review body. Therefore it is estimated that the introduction of a new police pay review body should not require any additional funding. Indeed there will be non-cashable efficiency savings from the time saved by members not having to attend so many meetings.

#### *Timing and phasing*

- 10.1.120 The PNB is a statutory body and a new police pay review body would need to be created in primary legislation, which would also amend the Police Act 1996 by providing for the abolition of the PNB. If my recommendation is accepted, a Bill could be introduced early in the next Parliamentary session.
- 10.1.121 If legislative time is available for this, a pay review body could begin its work in the second half of 2014. The pay review body would then have ample opportunity to consult and make recommendations for the pay award in September 2015, after the Government's final year

of one *per cent* pay restraint. The pay review body could then make its first pay award recommendation last for 18 months, so that it brings the police service into line with most other parts of the public sector by having its pay awards begin in April of each year, the start of the financial year. The police service is no longer reliant on a formula of other employees' pay uplifts to determine its pay award to officers, so there is no future need to separate the financial year from the pay year. This alignment should better match resources to pay deals.

- 10.1.122 In the interim, the PNB must of course continue to operate. If the Home Secretary so wishes, the greater part of my Part 2 recommendations will need to be taken through the existing machinery. An example is the recommended change to the basic pay of new constable entrants, to ensure that sufficient savings are made in the short term. I do not underestimate the difficulties of securing viable deals through machinery that has been recommended for replacement, but it is incumbent on all parties to come to the table in good faith.

### *Chief Officers*

- 10.1.123 CPOSA suggests that decisions on chief police officers' pay should not, in future, be determined in the machinery which deals with the pay of officers below ACPO rank.
- 10.1.124 The work of chief officers, and the responsibilities they carry, have more in common with the senior members of the military, senior civil servants and judges. It is more appropriate that the determination of chief officer pay is passed from the Police Negotiating Board to the Senior Salaries Review Body (SSRB). It has very considerable expertise in the field of pay of the most senior public servants, and its expertise is most closely aligned to the position of senior police officers. It is likely that the SSRB will also derive benefits from having senior police officers within its remit, enabling it to make comparisons with another senior branch of the public service.
- 10.1.125 I recommend that the SSRB takes on responsibility for setting chief police officers' pay, using the existing national force weighting framework in the short-term.

**Recommendation 115 – The Police Negotiating Board should be abolished and replaced by an independent police officer pay review body by late 2014**

**Recommendation 116 – The membership and terms of reference for the new police pay review body should be as specified in Chapter 10 of this report**

**Recommendation 117 – Once the police pay review body has been established, police pensions should be handled by the Police Advisory Boards of England and Wales, Scotland and Northern Ireland.**

**Recommendation 118 – The Senior Salaries Review Body should take responsibility for setting the pay of Chief Constables, Deputy Chief Constables and Assistant Chief Constables by 2014.**

## 10.2 Staff Pay

### **Background**

#### *History – Police Staff Council*

- 10.2.1 Before 1996, police staff were local government employees and included within the National Joint Council for Local Government which is the negotiating body for local government employees. This negotiating body covered nearly 750,000 public sector workers. Police staff

were subject to the same terms and conditions as other local government employees. Their annual pay awards and terms and conditions were governed by the APT & C Handbook (covering Administrative, Professional, Technical & Clerical workers).

- 10.2.2 In 1996, the Police Staff Council (PSC) was created as a voluntary negotiating body covering around 60,000 police staff. PSC national agreements are only binding if police authorities and chief constables agree to incorporate them within employees’ contracts of employment. The PSC handbook states that:

*“The Police Staff Council represents police authorities, chief constables and the Home Secretary of England & Wales and the employees of police authorities. The Council’s principal role is to negotiate a national scheme of pay and conditions of service for police staff”<sup>77</sup>.*

- 10.2.3 The PSC covers pay, working time, leave, sickness, maternity, travel and subsistence. It negotiates national agreements. It also gives advice to the Home Secretary on general questions affecting police staff in England & Wales<sup>78</sup>. The PSC operates on a traditional Whitley Council basis, with each side having its own chair and secretary. There is no independent element.
- 10.2.4 The trade union side secretariat is provided by the largest union, UNISON. The employer side secretariat is provided by local government employers. Within the Police Service of Northern Ireland, the employment framework for police staff mirrors that agreed for the Northern Ireland civil service. The PSC consists of 14 members, seven on the employers’ side (four APA, two ACPO, one Home Office) and seven on the trade union side (five UNISON, one GMB, one TGWU)<sup>79</sup>. The PSC operates a traditional model of collective bargaining with the employer and staff sides coming to agreement through discussion and negotiation. Although the PSC covers most police forces, Surrey, Kent, the Metropolitan Police Service and the City of London Police are outside its scope.

**Table 10.5 Membership of the Police Staff Council**

Police Staff Council Membership	
Employers’ Side	Trade Union Side
Association of Police Authorities (4)	UNISON (5)
Association of Chief Police Officers (2)	GMB (1)
Home Office (1)	TGWU (1)

- 10.2.5 In Surrey Police, staff pay and conditions are negotiated by a joint negotiating committee (JNC) consisting of representatives from management and police staff. Annual pay negotiations begin in early January. The JNC meets every two to three weeks, and its objective is to complete negotiations by 1 April each year. Meetings of the JNC are chaired by a senior manager of police staff or a senior police officer. The appointment of the chair is agreed by both parties beforehand. The chair is expected to be impartial. There are normally four negotiators on each side. The management negotiating team includes senior police staff managers. If there is a failure to agree, the matter is referred to the Chief Constable and two members of the police authority for their assistance in finding a mutually acceptable solution. If a solution is still not agreed, either side may refer the matter to ACAS<sup>80</sup>.
- 10.2.6 In recognition of the important service that police staff perform, Surrey Police and the local branch of UNISON have agreed a dispute resolution procedure which is designed to avoid industrial action. The procedure has the benefit of extending the period before a strike can begin, both so that negotiations can continue to avoid a strike and, if that fails, so that management has time to prepare and minimise disruption. The process is as follows in Figure 10.2<sup>81</sup>.

<sup>77</sup> *Police Staff Council handbook*, April 2004, page 5

<sup>78</sup> *ibid.* page 8

<sup>79</sup> *ibid.* page 7

<sup>80</sup> *Negotiating Terms for Bargaining Committees at Surrey Police*, April 2006, pages 1-2

<sup>81</sup> This chart is based on guidance provided by Surrey Police on 27 October 2011

**Figure 10.2: Surrey Police and UNISON Surrey Branch's dispute resolution procedure, as a flow chart**



10.2.7 Similarly, the Metropolitan Police Service (MPS) is outside the remit of the Police Staff Council. This is because the majority of police staff were previously on civil service terms and conditions, rather than local government ones. The budget for the MPS police staff pay award is agreed annually by the police authority. The settlement must come from within that budget or be funded by savings elsewhere. There is a monthly, formal forum at which the four recognised trade unions (the First Division Association, the Public and Commercial Services Union, Prospect & Unite) engage with management on issues concerning pay and terms and conditions of MPS police staff. There are also separate working parties for specific issues. Before the three-year pay settlement for 2008-11, each trade union submitted its annual pay claim. The review date for pay is 1 August, and negotiations are led by a senior director with expertise in personnel matters.

- 10.2.8 There is provision for referral to ACAS when there is failure to agree, but this is available only with the agreement of all the parties. The cost of the meetings is not separately ascertainable, nor is the cost of full-time trade union representatives (employed by the MPS)<sup>82</sup>.

### Analysis

- 10.2.9 As noted in Part 1, there is a severe shortage of data on human resources matters within the police service, especially on police staff issues. It is therefore difficult to provide any meaningful analysis of the effectiveness of the police staff negotiating machinery. Even an assessment of the number of agreements reached by the PSC is of limited value. This is because the PSC will sometimes come to an agreement which also resolves other claims and proposals. The PSC is involved in helping to resolve local disputes. As an indicative measure of how successful the PSC is at negotiating agreements, analysis of the local government employers' data shows that 44 Joint Circulars were issued between 28 August 2001 and 15 August 2011<sup>83</sup>.

### Consultation

#### *Response by the Association of Chief Police Officers*

- 10.2.10 The Association of Chief Police Officers “shares the conclusion reached by Sir Clive Booth [in 2007] that the PSC is fit for purpose and appropriate for negotiating police staff pay and conditions”<sup>84</sup>. It did not elaborate on this view within the submission. However, subsequent meetings with ACPO established that the Association believes that the present arrangements for the negotiation of police staff pay provide the greatest degree of local flexibility, and are satisfactory.

#### *Response by the Association of Police Authorities*

- 10.2.11 The Association of Police Authorities (APA) “... support[s] the continuance of appropriate collective bargaining machinery”<sup>85</sup>. The APA would also like to see consideration given to greater harmonisation of police staff pay and policy pay and conditions<sup>86</sup>.

#### *Response by the Association of Police Authority Chief Executives*

- 10.2.12 In its submission, APACE says:

*“... we certainly see opportunities in this review to move the police service to [a] single employment framework in which there are opportunities for a more fluid and flexible movement and progression between different strands of the service”<sup>87</sup>.*

#### *Response by UNISON*

- 10.2.13 The great majority of police staff members are represented by UNISON. Its submission states that:

*“The current make up of the Police Staff Council ensures that the interests of staff, management and the public are all properly represented ... In a free collective bargaining body, such as the Police Staff Council, the course of negotiation usually results in a compromise outcome which is felt-fair to all the parties who sign up to that agreement”<sup>88</sup>.*

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82 Email communication from Mr K. Courtney, Head of Human Resources, Metropolitan Police Service, 30 September 2011

83 Data taken from [www.lge.gov.uk](http://www.lge.gov.uk), October 2011. A Joint Circular indicates agreement between the trade union and employers' side of the Police Staff Council

84 ACPO submission, page 39

85 APA submission, page 36

86 *ibid.* page 36

87 *Submission from the Association of Police Authority Chief Executives*, September 2011, page 8

88 UNISON submission, page 32

- 10.2.14 UNISON argues against the suggestion in ACPO's Part 1 submission that there should be consideration of the removal of the right to strike of police staff in certain sensitive roles. In UNISON's view, "there is no evidence that industrial action by police staff has been a high risk for police forces in England and Wales since the Police Staff Council was created in 1996"<sup>89</sup>. UNISON argues that:

*"Industrial relations in the vast majority of police forces are good or very good ... Unbalancing that relationship by withdrawing the right to strike would damage it and threaten disharmony at force level. UNISON has offered on many occasions to discuss an arbitration option for forces and union branches to help avoid industrial strife arising in future"*<sup>90</sup>.

- 10.2.15 UNISON accepts that the introduction of police and crime commissioners will necessitate the reform of the PSC. It also remains concerned that Kent and Surrey Police forces remain outside the scope of the PSC. In UNISON's view, this deprives staff in those forces of the protection of national collective bargaining<sup>91</sup>.
- 10.2.16 UNISON favours the retention of national pay arrangements and does not support regional or local pay. It considers that "[i]t is not an efficient use of public money for individual forces to have to employ more [human resources] staff to engage in local pay negotiations"<sup>92</sup>. UNISON also argues that local pay negotiation would remove strategic control by national stakeholders, including the Home Office, over pay and conditions<sup>93</sup>.
- 10.2.17 UNISON is also concerned about the resources available to the Police Staff Council. It comments that "... the continuing lack of dedicated funding for the Police Staff Council from the Home Office means that the Council has no ability to properly plan its future workload"<sup>94</sup>.

#### *Seminar*

- 10.2.18 On 28 July 2011, the review held a seminar to discuss negotiating machinery. Mr Graham Smith, Director of Human Resources at Dorset Police, commented that members of the PSC:

*"benefit from a level of mutual trust and respect. Between all of the parties there is that ability to talk, to have that open discussion and, normally, to come out with a reasonable solution that the vast majority of forces are happy to take on board and move on with"*<sup>95</sup>.

- 10.2.19 This was supported by Mr Steve Corkerton of HMIC, who thought that the PSC has worked satisfactorily and that caution should be exercised in any reform of a well-functioning mechanism. Mr Ben Priestley from UNISON argued that "from UNISON's perspective ... the status quo provides a suitable basis to develop and, perhaps, enhance the machinery because I do not think anyone pretends that the machinery is perfect"<sup>96</sup>.
- 10.2.20 Mr John Hughes, Head of Corporate Human Resources at West Yorkshire Police, commented that, as a user of the PSC, "how it operates at the moment is quite good. We would certainly like it to be a bit quicker and more responsive, but pay negotiations are not easy"<sup>97</sup>.
- 10.2.21 Councillor Malcolm Doherty, chair of the employers' side of the PSC, said that:

*"... one of the strengths of the Police Staff Council is that we do usually manage to find common ground ... I have been chair of the Police Staff Council official side for about seven or eight years now, and in that time we have never reached a situation where we have walked away from each other ... I believe the Police Staff Council has done a very good job in terms of reaching agreements"*<sup>98</sup>.

89 *ibid.* page 32

90 *ibid.* page 33

91 *ibid.* pages 33-34

92 *ibid.* page 36

93 *ibid.* page 36

94 *ibid.* page 34

95 Pay negotiating machinery seminar (2011), page 8

96 *ibid.* page 10

97 *ibid.* page 12

98 *ibid.* pages 13-14

## Conclusion

- 10.2.22 There is a strikingly high measure of consensus that the Police Staff Council works well. No major proposals for its reform have been suggested. Change for its own sake is never a wise policy, and I therefore see no need to recommend any substantial changes to the way the Police Staff Council conducts its business.
- 10.2.23 I acknowledge the concerns expressed by UNISON about the fact that some forces settle questions about pay and conditions without being members of the Police Staff Council. However, I believe it is appropriate to attach the greater weight to the views of the forces and local unions in question, including in London, who argue forcefully for the retention of the status quo. For the reasons given in Chapters 2 and 7, it is desirable to retain a pay and conditions system for police staff that is locally determined. If individual chief officers believe that their forces' interests, and the interests of their police staff, are better served outside the PSC, I regard that as a compelling reason not to disturb a system which works well in practice.
- 10.2.24 UNISON's argument that the Police Staff Council should receive central funding has force. At present, the PSC is not able to conduct detailed research and data collection on the most important issues within its remit. Throughout the course of this review, I have been struck by the scarcity of data on policing. This has been especially true in the case of police staff. I therefore recommend that the police forces included in the Police Staff Council should make a modest financial contribution to the funding of the PSC, to meet the costs of an independent secretariat to be run by the Office of Manpower Economics. I estimate the total sum would not be more than £50,000 *per annum*. This should provide the Police Staff Council with the ability to improve the quantity and quality of data on police staff and to plan its future workload. If it were not for the PSC, there would be an increase in costs at the local level to fund 39 different police forces undertaking the same pay and conditions negotiations. That is undesirable.
- 10.2.25 In connection with the industrial rights of police staff members, I acknowledge the particular ethos of those who work in the police service. It is commendable that, despite a strike call by their union, many police staff members choose to go to work and thereby safeguard the public and its property. Equally, the unions deserve favourable recognition for their restraint in calling strikes or other industrial action. These steps have been taken far more rarely than has been the case with some other public service unions.
- 10.2.26 Despite the rarity of police staff strikes and industrial action, it is not efficient and economical for Chief Constables to have to retain an artificially high number of police officers to cover the possibility of strike action by staff in critical functions. This represents poor value for money, as officers are considerably more expensive than staff members, and it acts as an abstraction from officers' normal duties to the public.
- 10.2.27 I agree with UNISON that the reduction or removal of the industrial rights of all police staff members would be disproportionate because most police staff members are not vital for the maintenance of public order and safety. However, some police staff undertake safety-critical roles. This is particularly true of police staff working in control rooms. I therefore recommend that the Police Staff Council, Kent Police, the Metropolitan Police Service and City of London Police negotiate a strike resolution procedure which is similar to that used by Surrey Police. It will be for negotiation whether such an agreement would merit a slight uplift in pay for the police staff in question. Such an increase could be balanced by a corresponding reduction in the need for an artificially high number of more expensive police officers unnecessarily put on duty. Under such a strike-avoidance arrangement, the additional time before the union in question can call for industrial action should provide longer for negotiations. If such negotiations fail, that extra time will provide the police force with the time to plan for and deploy officers into the police staff roles in question, without high overtime costs necessitated by short notice deployments.
- 10.2.28 CPOSA suggests that the pay of senior police staff should be decided by the Senior Salaries Review Body. It argues that the pay rates for senior police staff positions are not competitive, particularly because the people who fill these posts have skills – such as information

technology and finance – that are highly sought after in the private sector, where rates of pay are typically higher than those offered by police forces.

- 10.2.29 The responses to the consultation revealed differing views on how the pay of assistant chief officers should be determined. UNISON argued that ACOs’ pay should be set in the same way as the pay of every other member of police staff, through a national pay and grading system based on the PSC’s 13-factor job evaluation scheme<sup>99</sup>.
- 10.2.30 I am not persuaded by either of these suggestions – that ACOs should come under the SSRB or that their pay should be set nationally. I see no reason to change current arrangements, under which ACOs negotiate their contracts directly with their employers. I have explained in Chapter 7 why a national pay grading system for police staff is undesirable. Any pay system that the Senior Salaries Review Body could introduce would simply be an alternative form of national pay grading, albeit for ACOs only. My arguments in favour of locally-determined pay apply to ACOs just as they do to all other police staff. Since ACOs often have specialist skills that are in high demand in the private sector, tying their pay into a national pay scale would almost certainly make it uncompetitive. This would result in forces having difficulties retaining high quality staff, and having to resort to other forms of remuneration, outside basic pay, to do so.

**Recommendation 119 – The Police Staff Council should receive approximately £50,000 per annum from police forces to fund regular data surveys of the remuneration and conditions of police staff.**

**Recommendation 120 – All police forces should negotiate a strike resolution procedure for police staff which is similar to that used by Surrey Police.**

### 10.3 Police Advisory Board Issues

#### Background

- 10.3.1 There are currently three Police Advisory Boards – for England and Wales, Scotland and Northern Ireland. They developed from the original Police Council, remaining as fora for dealing with non-negotiable conditions of service<sup>100</sup>. Their statutory powers were first contained in the Police Act 1964, and are now consolidated in the Police Act 1996 and the Police Reform Act 2002.
- 10.3.2 All three Police Advisory Boards were originally chaired by Ministers. Whilst this remains the case in Scotland, in England and Wales the Police Advisory Board (PAB) has been chaired by the independent chair of the PNB.
- 10.3.3 The PAB annual report states that its functions are:

*“to advise the Secretary of State on general questions affecting the police in England and Wales;*

*to consider draft regulations which the Secretary of State proposes to make under section 50 or 52 of the Police Act 1996 with respect to matters other than hours of duty, leave pay and allowances, or the issue, use and return of police clothing, personal equipment and accoutrements (all of these matters being reserved to the Police Negotiating Board) and to make such representations to the Secretary of State as it thinks fit; [and]*

<sup>99</sup> The job evaluation scheme developed by the Council is set out in Part 3 of the PSC Handbook. The PSC 13-Factor Job Evaluation Scheme has been developed to comply with equal value principles and practices and to cover a wide range of police staff jobs. This scheme is recommended by the Council, but it does not prevent forces from using alternative schemes

<sup>100</sup> PAB deals with all matters relating to conditions of service which are not covered by the specific remit of the PNB. An example of a non-negotiable condition is the fitness standard for police officers

*to consider draft regulations which the Secretary of State proposes to make under Part 2 of the Police Reform Act 2002 [Part 2 of the Police Reform Act 2002 covers complaints and misconduct], and to make such representations to the Secretary of State as it thinks fit.”*

*“The Board may also consider any matter relating to non-negotiable conditions of service, and any other matters affecting the police which have been referred to it by the Secretary of State, and it will advise the Secretary of State on such matters within any time limit specified by the Secretary of State”<sup>101</sup>.*

10.3.4 In 2010/11, the membership of the PAB was as follows<sup>102</sup>:

<b>Table 10.6 Membership of the Police Advisory Board of England and Wales</b>	
<b>Organisation</b>	<b>Number of attendees</b>
Association of Chief Police Officers	2
Association of Police Authorities	4
Chief Police Officers’ Staff Association	1
Her Majesty’s Inspectorate of Constabulary	1
Home Office	1
Metropolitan Police Service	1
Police Federation of England & Wales	5
Police Superintendents’ Association of England & Wales	1
Metropolitan Police Service Trade Union Side	1
Police Staff Council Trade Union Side	1

10.3.5 Decisions are usually reached by consensus; majority decisions have been taken, but they are rare. The decisions of the Board are advisory to the Home Secretary and she does not have to agree to them. As they will usually involve the making of regulations or Determinations under those regulations, the Home Secretary cannot fetter her discretion by committing herself in advance to accept a decision. Home Office officials are fully involved in the Board, its sub-committees and working groups.

### **Analysis**

10.3.6 In 2010/11, there were four full meetings of the PAB, although most of the substantive work was undertaken in smaller expert working parties. Meetings of the full PAB tend to deal with more straightforward issues. This approach to business enables full meetings to be completed within approximately 90 minutes, thus enabling the Board to meet on the same day as PNB. Working parties often include representatives of organisations able to provide specialist knowledge. In 2010/11 for example, the PAB benefited from input from the IPCC and the NPIA<sup>103</sup>.

10.3.7 The PAB has developed into a comprehensive consultative forum, dealing with a wide range of issues. Having issues considered by such a standing body is more efficient than establishing *ad hoc* consultative bodies. Most issues requiring detailed consideration can be accommodated within one of the two sub-committees of PAB. One sub-committee deals with matters relating to recruitment, career progression and deployment; the other deals with matters of conduct and discipline.

101 *Police Advisory Board for England and Wales, Tenth Annual Report of the Independent Chair 2010-2011*, April 2011, page 1

102 *ibid.* pages 35-36

103 *ibid.* page 5

## Consultation

### *Response by the Association of Chief Police Officers*

- 10.3.8 The Association of Chief Police Officers favours the retention of the Police Advisory Board. Unlike the PNB, ACPO argues that the PAB is effective in attaining agreement on important matters within its remit. In its response to Part 2, ACPO welcomes the fact that the trade union side of the Police Staff Council has been invited to join the PAB. ACPO regards this as a welcome first step in trying to achieve greater harmonisation between officer and staff terms and conditions<sup>104</sup>.

### *Response by the Association of Police Authorities*

- 10.3.9 The Association of Police Authorities states that the PAB "... provides a useful 'sounding board' mechanism on issues affecting the service ... [and that] it could [also] benefit from a refocus and possible re-size in light of any changes made to PNB"<sup>105</sup>.

### *Response by the Police Federation of England and Wales*

- 10.3.10 The Police Federation supports the retention of the PAB. It argues that the PAB "... has generally been able to reach agreement on recommendations that are satisfactory to all of its members"<sup>106</sup>.

### *Response by the Police Superintendents' Association of England and Wales*

- 10.3.11 The Police Federation's view is supported by the Police Superintendents' Association, which says that "the Police Advisory Board has been enormously successful in recent years and should be retained ... [and that] all sides come together with a good record for agreeing important changes to terms and conditions of service"<sup>107</sup>.

### *Seminar*

- 10.3.12 On 28 July 2011, the review held a seminar on negotiating machinery. As a member of the PAB, Mr Steve Corkerton of HMIC commented that it was slow and cumbersome. He gave the example of a proposed policy change in relation to the vetting of police officers, which had taken four years to agree<sup>108</sup>. When asked by the chairman whether he thought this length of time was justified, Mr Corkerton commented that the frequency of meetings (quarterly), the need to refer matters to sub-groups and working parties, and a "general air of cautiousness"<sup>109</sup> all contributed to a lack of progress.

## Conclusion

- 10.3.13 It is beyond question that the work of the PAB is important. The remit of PNB is very specific, and it is therefore essential that there is another forum for discussing other issues relating to policing where national consistency is likely to have an appreciable effect on national interoperability. For example, Chief Constables do, on occasion, rely on mutual aid support and it is reasonable to require officers deployed in mutual aid to be of the same entry, skill and fitness standards irrespective of their home forces<sup>110</sup>.
- 10.3.14 It is clear that the PAB works well as a consultative and advisory body. It is consensual rather than confrontational and, since the addition of representatives of police staff, it is the only body representing, at national level, all significant interests within the police service.

104 ACPO submission, page 39

105 APA submission, page 36

106 Police Federation submission, page 84

107 Police Superintendents' Association submission, page 64

108 Pay negotiating machinery seminar (2011), page 99

109 *ibid.* page 100

110 See Glossary for a definition of mutual aid

- 10.3.15 Most consultees recommended that the PAB should remain. I agree. The considerable complexity of modern policing means that there must be a forum in which all interested parties have the opportunity to raise and discuss issues in order to advise the Home Secretary. However, no body of this kind is incapable of improvement. It has been credibly criticised for being slow and cumbersome. This may be a consequence of an unwarranted assumption on the part of some of its members that unanimity or something close to it should – or must – always be attained. The statute is clear – its purpose is not to reach agreements but to advise the Home Secretary. Whilst it is preferable that there should be a large measure of agreement to such recommendations, that should not disable the PAB from working more quickly or efficiently. If a majority of PAB members are in favour of a recommendation to the Home Secretary, the recommendation should be made. It is always open to the dissenting parties to give their reasons for not joining with the majority. The Home Office can then advise the Home Secretary accordingly.
- 10.3.16 In most cases, if an issue has been properly articulated and adequate analysis has been done and provided, the PAB should need no more than six months to consider any question. It is incumbent on PAB members who wish the PAB to consider a question to prepare the ground thoroughly and provide the PAB with a fully argued proposition. The PAB should be firm in refusing to consider any proposal which does not meet that standard.
- 10.3.17 The independent chair of the PAB should ensure that issues are brought back to the full Board not more than six months after being tabled. If, in his view, further discussion would be unlikely to achieve a consensus that Chief Constables could agree then the issue should be withdrawn for a period of at least one year.
- 10.3.18 Finally, for the reasons given in Chapter 4, it is unsustainable for recruitment standards and promotion standards to be determined by two separate statutory bodies, namely the PAB and the Police Promotions Examination Board (PPEB). Given that police promotions are of national importance, the remit of PPEB should be brought under PAB.

**Recommendation 121 – The chair of the PABEW should ensure issues for its consideration are discussed with greater despatch and efficiency, and that as far as reasonably practicable they are disposed of within six months of being raised.**

## 11. Conclusions

### 11.1 Overall

- 11.1.1 As I said in my Part 1 report, the police service lacks the modern management tools it needs to ensure that it can operate with the greatest efficiency and economy in a time of considerable national financial pressure. Recent fiscal events in the Eurozone countries have demonstrated that that financial pressure is likely to continue into the medium-term, if not longer. The police service must be given the tools it needs to prepare for, and react to, circumstances in the foreseeable future. Yet it also needs to prepare for the unforeseen.
- 11.1.2 The future is inherently unpredictable, but one thing is certain – the next 30 years will be different from the last 30. Therefore, Chief Constables will need a different set of tools than they did at the time of the Edmund-Davies review in 1978. This review has established that the police service is currently ill-equipped to respond to possible and probable changes in:
- increasingly specialised crime trends;
  - political accountability;
  - financial resources; and
  - the demographics of its workforce.
- 11.1.3 This Part 2 report has made recommendations which, if implemented, will provide the police service with the ability to attract and retain high calibre candidates with different skills and experiences, to maintain operational resilience by maximising the deployment of fit and healthy officers, and to manage officer numbers according to need and in the public interest. The combined effect of my recommendations will ensure that entry into the police service and advancement within it will be according to the sole criterion of merit. The best candidate for the job should be promoted, good performance should be appropriately recognised, and professional skills should be duly rewarded.
- 11.1.4 The recommendations in Chapter 10 in relation to reform of the pay review apparatus will have a profound effect. The establishment of a well-resourced, professional pay review body should ensure that police officers' pay is timeously determined on sound evidence. If the police pay review body works as it should, then this Part 2 report will be the last formal review of police officer pay and conditions in the character and tradition of the Desborough, Oaksey and Edmund-Davies committees, and, in relation to pay, the Royal Commission.

### 11.2 Total costs and savings

- 11.2.1 The terms of reference for the review require it to produce costed recommendations. Table 11.1 sets out the overall savings and costs, arising from both the Part 1 and Part 2 reports, for the 43 territorial police forces in England and Wales. If the recommendations in this report are implemented in full from April 2013, then Table 11.1 shows that there would be **a cost of £188m and a saving of £346m in 2013/14, which would produce net savings of £158m. By 2014/15 the in-year net savings would rise to an estimated £166m.**
- 11.2.2 **Cumulatively, the recommendations should achieve savings of £1.9bn by 2017/18. However, almost two-thirds of those savings, or £1.2bn, would be reinvested in a reformed system of pay and conditions.** This will ensure that such a significant sum of public money is concentrated and spent on rewarding and incentivising the most effective and efficient police officers and staff.
- 11.2.3 Financial forecasting beyond 2015/16 is problematic because it is outside the period of the Government's current spending review. Nevertheless, were the recommendations to remain unchanged for a significant period then the police service and the Government will benefit from substantially lower costs than they would otherwise have faced. **For example, the savings from the introduction of a new constables' pay scale alone could cumulatively save over £700m during the next decade to 2022/23.**

- 11.2.4 Table 11.1 does not take account of other changes that may significantly increase the total savings. For example, the removal of the eight *per cent* deployment X-factor of a constable's pay (if he is unable to be fully deployable into public facing roles) and the requirement for an officer in the Federated ranks to demonstrate accredited skills to reach the top of his pay scale (the specialist skills threshold). Such potential savings have not been identified here because these recommendations are designed not to reduce costs but to increase the efficiency and effectiveness of police officers and staff through the establishment of a culture of continuous improvement, professional development and the highest skills. **Nevertheless, by way of example, if just one *per cent* of constables had their deployment X-factor removed and one *per cent* failed to attain the specialist skills threshold, around an additional £8.6m *per annum* would be saved<sup>1</sup>.**
- 11.2.5 It should be noted that the savings and costs in the financial years 2012/13 and 2013/14 are different from those detailed in Part 1 for three principal reasons:
- the slower than expected negotiation and implementation of the Part 1 recommendations<sup>2</sup>;
  - they reflect the Home Secretary's decision, on 30 January 2012, to accept the determination of the Police Arbitration Tribunal<sup>3</sup>; and
  - the financial modelling has been revised to take account of the latest available data and projections of future workforce numbers<sup>4</sup>.
- 11.2.6 Accordingly, the total net savings are lower than were recommended in Part 1 and the police service will need to find other ways to achieve the necessary reductions in budgets.

### 11.3 Effect on the individual

- 11.3.1 Throughout Parts 1 and 2 of the review, I have been acutely conscious of the probable effects of my recommendations on individual officers and staff. It is right that pay is directed towards those who undertake the most difficult and demanding roles. Yet one must be conscious of the financial consequences for those who are not eligible, especially in the current economic environment. Accordingly, I have tempered my recommendations in several areas to ensure that officers and staff are not placed under excessive financial hardship. For example, both the consideration of buying out sergeants' overtime and the introduction of the unsocial hours allowance for police staff are recommended for deferment. Both of these would have had significant benefits to a police force in terms of efficiency and effectiveness. This principle of phased introduction is illustrated in a proposed timescale for the implementation of my main recommendations in Appendix 2.

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1 It should be noted that some of this saving would be offset by the cost of recruiting new, fit officers to replace officers who have left the service because of their poor physical fitness

2 If the Part 1 recommendations had been implemented in full by September 2011, there would have been a net saving of approximately £71m in the financial year 2011/12

3 As noted earlier in this report, on 30 January 2012 the Home Secretary accepted the determination of the Police Arbitration Tribunal in relation to Part 1. The PAT rejected the Part 1 recommendations in a number of respects, most notably excluding the lowest paid constables from the two-year progression freeze, rejecting the recommendation to abolish Competence Related Threshold Payments from September 2011, deferring decisions on the Expertise and Professional Accreditation Allowance and the on-call allowance for consideration as part of Part 2, and disagreeing with the recommended reduction of the time-and-a-third rate of officer overtime pay

4 In making these calculations, the best available data and, where data were unavailable, the most realistic assumptions and robust financial modelling available have been used. The Part 2 report has used data sources that were unavailable during the production of the Part 1 report. In particular, the PNB provided the review with additional data in September 2011, which provided a better indication of the distribution of overtime spend at different rates. Furthermore, the Part 2 report has used the latest assumptions regarding the likely reductions in the number of police officers and staff, between March 2011 and March 2015 (*Adapting to Austerity: A Review of Police Force and Authority Preparedness for the 2011/12 – 14/15 CSR Period*, Her Majesty's Inspectorate of Constabulary, London, 21 July 2011, page 41). The likely decline in workforce numbers has meant that costs will be lower than expected in Part 1 because there will be fewer police officers and staff to pay. However, the potential for savings will also be correspondingly lower, for the same reason

- 11.3.2 As with Part 1, implementation of the new recommendations will have differing effects on individual officers and staff. Some officers will experience reductions in their take-home pay in the longer-term, particularly those who are in roles that are not eligible for the specialist skills threshold, such as working in a control room. Other officers may sustain a further decrease by the removal of eight *per cent* of their basic pay if they cannot be deployed to the frontline. Upon my recommendation, none of this will happen quickly – these changes are designed to give such officers substantial time to prepare, become fitter and to develop new specialist skills. The aim of these recommendations is not to save money, but to create a more efficient, productive, motivated and highly skilled workforce.
- 11.3.3 Other officers will be better off under these recommendations, particularly constables below pay point 6 on the current pay scale. It is estimated that approximately 30% of existing constables will benefit in this way, some constables by as much as £9,141 in cumulative gross pay over 4 years. For the majority of officers, implementation of the recommendations in Part 2 will have no detrimental effect on their basic pay until 2016, beyond the effect of the Part 1 recommendations. The proposed abolition of the Competence Related Threshold Payment will have a detrimental effect on the pay of approximately 40% of Federated officers, or 52,908, in 2014/15. The Expertise and Professional Accreditation Allowance will be retained for those discharging public order duties, which are often a voluntary addition to an officer's full time role. The EPAA was designed as an interim measure to mitigate the effects of reductions in pay for those in the most demanding and highly skilled roles. It is right that as management capability improves and greater training opportunities are developed, the acquisition and use of critical skills should be rewarded within basic pay, not as an additional allowance. Those who acquire and use the important specialist skills will rise to the top of the constable's pay scale more quickly than was previously possible.
- 11.3.4 For police staff, I have deferred many of the potentially detrimental recommendations to a later date, so as to provide time to prepare for their implementation, and time to assess their full effects. It is hoped that the provision of money for an independent secretariat to the Police Staff Council will enable better and more regular data surveys to be undertaken for this purpose.
- 11.3.5 To illustrate the effects of the review, several case studies are provided below. These are estimates based on the circumstances of officers in a number of different roles, working differing hours. As I stated in Part 1, these proposals cannot, of course, be assessed in isolation. The Government has announced a two-year public sector pay freeze, which began in September 2011 for police officers and most police staff. On 29 November 2011, the Chancellor of the Exchequer announced that there should be a further two years of pay restraint in the public sector, broadly capped at a one *per cent* increase.

<b>Table 11.1 – Total costs and savings arising from the Part 1 and Part 2 recommendations for financial years</b>	<b>2012/13 to 2017/18</b>					
<b>Savings from Part 1:</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Officers: Two-year progression freeze <sup>5</sup>	–£54m	–£145m	–£164m	–£129m	–£96m	–£75m
Staff: Two-year progression freeze	–£39m	–£29m	–£19m	–	–	–
Abolition of Special Priority Payments (SPP)	–£80m	–£78m	–£77m	–£77m	–£77m	–£77m
Changes in overtime (officers and staff)	–£15m	–£15m	–£14m	–£14m	–£14m	–£14m
Abolition of chief officer and superintending ranks bonuses	–£1.7m	–£1.7m	–£1.7m	–£1.7m	–£1.7m	–£1.7m
<b>Savings from Part 2:</b>						
Abolition of Competence Related Threshold Payments (CRTP)	–	–£73m	–£73m	–£79m	–£84m	–£87m
New lower starting pay in the constable pay scale	–	–£4m	–£14m	–£33m	–£58m	–£86m
Abolition of double increments for the superintending and ACC ranks and abolition of Post-Related Allowance	–	–	–£1.6m	–£1.6m	–£1.6m	–£1.6m
Abolition of the High Potential Development Scheme	–	–£0.6m	–£0.7m	–£0.9m	–£1.1m	–£1.3m
Abolition of the Police Negotiating Board	–	–	£0.4m	£0.4m	£0.4m	£0.4m
<b>TOTAL SAVINGS<sup>6</sup></b>	<b>–£190m</b>	<b>–£346m</b>	<b>–£366m</b>	<b>–£335m</b>	<b>–£334m</b>	<b>–£344m</b>
<b>Costs of Part 1:</b>						
Unsocial hours payments (10% of basic pay)	£111m	£108m	£106m	£105m	£106m	£105m
Officer maternity pay (increase to 18 weeks)	£6m	£6m	£6m	£6m	£6m	£6m
Team recognition awards (officers and staff)	£2.5m	£2.4m	£2.4m	£2.4m	£2.4m	£2.4m
<b>Costs of Part 2:</b>						
Removal of pay points 6, 7 and 9 of the constables' pay scale	–	–	£6m	£20m	£69m	£81m
Removal of pay point 0 of the sergeants' pay scale	–	–	£0.3m	£1m	£2m	£3m
Changes to the superintendent, chief superintendent and ACC rank pay scales	–	–	£1.5m	£1.7m	£2.9m	£3.4m
Expertise and Professional Accreditation Allowance (£600 per annum)	–	£51m	£50m	£50m	–	–
Public Order Allowance (£600 per annum)	–	–	–	–	£16m	£16m
On-call allowance (£15 per day for officers)	–	£14m	£14m	£14m	£14m	£14m
Direct Entry (Inspector) and Direct Entry (Superintendent) schemes	–	£3m	£7m	£12m	£16m	£18m
Annual in-service fitness test (additional staff costs)	–	£4m	£7m	£7m	£7m	£7m
New police pay review body	–	–	£0.3m	£0.3m	£0.3m	£0.3m
Research grant for Police Staff Council	£0.05m	£0.05m	£0.05m	£0.05m	£0.05m	£0.05m
<b>TOTAL COSTS</b>	<b>£120m</b>	<b>£188m</b>	<b>£200m</b>	<b>£219m</b>	<b>£242m</b>	<b>£256m</b>
<b>TOTAL NET SAVINGS</b>	<b>–£70m</b>	<b>–£158m</b>	<b>–£166m</b>	<b>–£116m</b>	<b>–£92m</b>	<b>–£89m</b>

<sup>5</sup> This includes the effect of changes to the pay scales on overtime rates and the suspension of double increments and CRTP

<sup>6</sup> The total figures have been rounded to the nearest £1 million. This is why some of the totals do not sum precisely

- 11.3.6 In addition to annual pay awards, the Government has accepted, in principle, the recommendations in Lord Hutton's report on public sector pensions, which are likely to require public sector workers, including police officers and staff, to contribute more to their pensions<sup>7</sup>. The case studies below reflect my projections of the effects on officers and staff of my proposed reforms in addition to these factors. Each of the models shows gross pay and does not take into consideration income tax or national insurance contributions.
- 11.3.7 Whilst I have been mindful of the overall economic environment in which police officers and police staff, as well as all other citizens, live, and the pressures which are faced, the Tables below do not additionally reflect the financial effects of other changes in the wider economy, such as rises in inflation, VAT and interest rates, because these increases will affect everyone. In these respects, police officers and police staff are affected no more severely than others.
- 11.3.8 Table 11.2 shows that, in 2013/14, a constable in a 24-hour response team with four years' service will receive approximately £1,288 more before tax and national insurance contributions than he did in 2011/12, even after the effect of the progression freeze and the likely increases in his police pension contributions in April 2012 and April 2013. If such an officer were to remain in this role until 2017/18, then he would earn £7,105 more before tax and national insurance contributions than he did in 2011/12, even after the effect of increased pension contributions. In this case, the officer would reach the top of the constable's pay scale two years earlier than at present because of my Part 2 recommendations to reduce the length of the pay scale.

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<sup>7</sup> For the purpose of these case studies, the pension contribution rates for police officers have been assumed to be the same as those proposed by the Home Secretary to the Police Negotiating Board on 29 July 2011. On 30 January 2012, the Government announced that police officer pension contribution rates would rise for the financial year 2012/13. The rate of the increase differs depending on an officer's length of service, rank, the date on which he joined the service and the police pension scheme to which he belongs

**Table 11.2: Example A: Response constable with four years' service and public order Level 2 accreditation who regularly takes part in public order operations with the gold, silver and bronze command structure, and who regularly works a rotating eight-hour shift on a four team basis**

Component of pay	2011/12	2012/13; with a 1% pension increase from April 2012. Progression freeze commences 1 April 2012	2013/14; with a 1% pension increase from April 2013. Second year of progression freeze. CRTPs abolished 1 April 2013. EPAA introduced 1 April 2013.	2014/15; with a 0.5% pension increase from April 2014	2015/16	2016/17; specialist skills threshold introduced. EPAA limited to public order 1 April 2016	2017/18
Basic pay (assuming pay progression on 1 April each year)	£30,066	£31,032	£31,917	£32,703	£33,753	£35,796	£36,519
Progression freeze/CRTP removal/pay point removal/specialist skills threshold		-£966	-£1,851	-£1,671	£0	£723	£0
Overtime	£2,457	£2,353	£2,353	£2,353	£2,353	£2,353	£2,353
Unsocial hours payment		£1,343	£1,343	£1,387	£1,508	£1,632	£1,632
On-call allowance							
Team recognition award		£50	£50	£50	£50	£50	£50
Special Priority Payment							
Expertise and Professional Accreditation Allowance (from 2016 the Public Order Allowance)			£600	£600	£600	£600	£600
Pre-1994 housing allowance							
Deployment x-factor							
<b>SUB-TOTAL</b>	<b>£32,523</b>	<b>£33,812</b>	<b>£34,412</b>	<b>£35,422</b>	<b>£38,264</b>	<b>£41,154</b>	<b>£41,154</b>
Pension contributions (9.5% from April 2011, 10.5% from April 2012, 11.5% from April 2013, 12% from April 2014)	-£2,856	-£3,157	-£3,458	-£3,724	-£4,050	-£4,382	-£4,382
<b>TOTAL AFTER PENSION CONTRIBUTIONS</b>	<b>£29,667</b>	<b>£30,655</b>	<b>£30,955</b>	<b>£31,698</b>	<b>£34,214</b>	<b>£36,771</b>	<b>£36,771</b>
<b>DIFFERENCE FROM 2011/12 AFTER PENSION CONTRIBUTIONS</b>	<b>£0</b>	<b>+£989</b>	<b>+£1,288</b>	<b>+£2,031</b>	<b>+£4,547</b>	<b>+£7,105</b>	<b>+£7,105</b>

- 11.3.9 In 2013/14, a constable with ten years' service and who has served on a neighbourhood policing team for at least three years, and continues to do so, will receive approximately £367 less before tax and national insurance contributions than he received in 2011/12. The reason for the reduction is not the effect of the recommendations of this review. Instead, the officer receives less because of the rise in his pension contributions. If the recommendations of the Part 1 report had been implemented in full, then the officer in this case study would have earned even more in 2013/14 because of the proposed £1,200 *per annum* EPAA. However, as explained in Chapter 9, Part 2 recommends that the EPAA be set at a lower rate of £600 *per annum* because the Police Arbitration Tribunal determined that there should be a lower amount of overall savings, rendering the higher rate of EPAA unaffordable.

**Table 11.3: Example B: Neighbourhood police constable with 10 years' service who has been in the neighbourhood policing team for more than three years.**

Component of pay	2011/12	2012/13; with a 1.25% pension increase from April 2012. Progression freeze commences 1 April 2012	2013/14; with a 1.25% pension increase from April 2013. Second year of progression freeze. CRTPs abolished 1 April 2013. EPAA introduced 1 April 2013.	2014/15; with a 0.7% pension increase from April 2014	2015/16	2016/17; specialist skills threshold introduced EPAA limited to public order 1 April 2016	2017/18
Basic pay (assuming pay progression on 1 April each year)	£36,519	£36,519	£36,519	£36,519	£36,519	£36,519	£36,519
Progression freeze/CRTP removal/pay point removal/specialist skills threshold							
Overtime	£2,457	£2,353	£2,353	£2,353	£2,353	£2,353	£2,353
Unsocial hours payment							
On-call allowance							
Team recognition award		£50	£50	£50	£50	£50	£50
Special Priority Payment							
Expertise and Professional Accreditation Allowance (from 2016 the Public Order Allowance)			£600	£600	£600		
Pre-1994 housing allowance							
Deployment x-factor							
<b>SUB-TOTAL</b>	<b>£38,976</b>	<b>£38,922</b>	<b>£39,522</b>	<b>£39,522</b>	<b>£39,522</b>	<b>£38,922</b>	<b>£38,922</b>
Pension contributions (11% from April 2011, 12.25% from April 2012, 13.5% from April 2013, 14.2% from April 2014)	-£4,017	-£4,474	-£4,930	-£5,186	-£5,186	-£5,186	-£5,186
<b>TOTAL AFTER PENSION CONTRIBUTIONS</b>	<b>£34,959</b>	<b>£34,448</b>	<b>£34,592</b>	<b>£34,336</b>	<b>£34,336</b>	<b>£33,736</b>	<b>£33,736</b>
<b>DIFFERENCE FROM 2011/12 AFTER PENSION CONTRIBUTIONS</b>	<b>0</b>	<b>-£510</b>	<b>-£367</b>	<b>-£623</b>	<b>-£623</b>	<b>-£1,223</b>	<b>-£1,223</b>

- 11.3.10 In 2013/14, a skilled detective constable with 25 years' service who regularly works late shifts and is frequently on-call will receive broadly the same cash amount as he did in 2011/12, even after the removal of CRTP and the rises in his pension contributions.

**Table 11.4: Example C: Detective constable with 25 years' service and PIP Level 2 accreditation, who regularly works late shifts (working unsocial hours) and is expected to perform on-call duties 80 times a year. He also receives the pre-1994 housing allowance and previously received a CRTP payment**

Component of pay	2011/12	2012/13; with a 1.25% pension increase from April 2012. Progression freeze commences 1 April 2012	2013/14; with a 1.25% pension increase from April 2013. Second year of progression freeze. CRTPs abolished 1 April 2013. EPAA introduced 1 April 2013.	2014/15; with a 0.7% pension increase from April 2014	2015/16	2016/17; specialist skills threshold introduced EPAA limited to public order 1 April 2016	2017/18
Basic pay (assuming pay progression on 1 April each year)	£36,519	£36,519	£36,519	£36,519	£36,519	£36,519	£36,519
Progression freeze/CRTP removal/pay point removal/specialist skills threshold	£1,212	£1,212	£0	£0	£0	£0	£0
Overtime	£2,457	£2,353	£2,353	£2,353	£2,353	£2,353	£2,353
Unsocial hours payment		£466	£466	£466	£466	£466	£466
On-call allowance			£1,020	£1,020	£1,020	£1,020	£1,020
Team recognition award		£50	£50	£50	£50	£50	£50
Special Priority Payment							
Expertise and Professional Accreditation Allowance (from 2016 the Public Order Allowance)			£600	£600	£600		
Pre-1994 housing allowance	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000
Deployment x-factor							
<b>SUB-TOTAL</b>	<b>£43,188</b>	<b>£43,600</b>	<b>£44,008</b>	<b>£44,008</b>	<b>£44,008</b>	<b>£43,408</b>	<b>£43,408</b>
Pension contributions (11% from April 2011, 12.25% from April 2012, 13.5% from April 2013, 14.2% from April 2014)	-£4,150	-£4,622	-£4,930	-£5,186	-£5,186	-£5,186	-£5,186
<b>TOTAL AFTER PENSION CONTRIBUTIONS</b>	<b>£39,038</b>	<b>£38,978</b>	<b>£39,078</b>	<b>£38,823</b>	<b>£38,823</b>	<b>£38,223</b>	<b>£38,223</b>
<b>DIFFERENCE FROM 2011/12 AFTER PENSION CONTRIBUTIONS</b>	<b>0</b>	<b>-£59</b>	<b>£41</b>	<b>-£215</b>	<b>-£215</b>	<b>-£815</b>	<b>-£815</b>

- 11.3.11 It should not be assumed that these levels of earnings will apply to all officers in these fields. If an officer was previously in receipt of a SPP, then the difference in his earnings may be closer to neutral, or he may sustain a relatively small reduction in overall pay.
- 11.3.12 By contrast, officers who work in what are sometimes called the middle- and back-office functions, such as criminal justice units, training or human resources, should expect to receive comparatively much less money, especially if they previously received CRTPs or SPPs. Table 11.5 is perhaps the most acute of these types of case. In that illustration, in 2013/14, before tax and national insurance contributions, the officer in question will earn approximately £3,492 less than he did in 2011/12. If the same officer remains in a role that is ineligible for the specialist skills threshold from 2016 and also loses his deployment X-factor after repeatedly failing his fitness test, then he would earn approximately £10,586 less in 2017/18 than he did in 2011/12.
- 11.3.13 When budgets are being reduced and resources have to be directed to the front line of policing, this is the fairest approach. It is right that those skilled officers who work all hours in the more demanding, specialised or dangerous roles receive more.

**Table 11.5: Example D: 25 years' service constable in a middle- or back-office function who previously received a £1,500 SPP and a CRTP. He does not work unsocial hours, or overtime, is never on-call, and does not use critical skills which would be eligible for the Expertise and Professional Accreditation Allowance, or the Specialist Skills Threshold from 2016 onwards. He also receives the pre-1994 housing allowance. During 2016/17 he goes onto restricted duties and remains on them in 2017/18**

Component of pay	2011/12	2012/13; with a 1.25% pension increase from April 2012. Progression freeze commences 1 April 2012	2013/14; with a 1.25% pension increase from April 2013. Second year of progression freeze. CRTPs abolished 1 April 2013	2014/15; with a 0.7% pension increase from April 2014	2015/16	2016/17; specialist skills threshold introduced	2017/18
Basic pay (assuming pay progression on 1 April each year)	£36,519	£36,519	£36,519	£36,519	£36,519	£36,519	£36,519
Progression freeze/CRTP removal/pay point removal/specialist skills threshold	£1,212	£1,212	£0	£0	£0	-£5,487	-£5,487
Overtime							
Unsocial hours payment							
On-call allowance							
Team recognition award							
Special Priority Payment	£1,500	£0	£0	£0	£0	£0	£0
Expertise and Professional Accreditation Allowance (from 2016 the Public Order Allowance)							
Pre-1994 housing allowance	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000
Deployment x-factor							-£2,483
<b>SUB-TOTAL</b>	<b>£42,231</b>	<b>£40,731</b>	<b>£39,519</b>	<b>£39,519</b>	<b>£39,519</b>	<b>£34,032</b>	<b>£31,549</b>
Pension contributions (11% from April 2011, 12.25% from April 2012, 13.5% from April 2013, 14.2% from April 2014)	-£4,150	-£4,622	-£4,930	-£5,186	-£5,186	-£4,407	-£4,054
<b>TOTAL AFTER PENSION CONTRIBUTIONS</b>	<b>£38,081</b>	<b>£36,109</b>	<b>£34,589</b>	<b>£34,333</b>	<b>£34,333</b>	<b>£29,625</b>	<b>£27,495</b>
<b>DIFFERENCE FROM 2011/12 AFTER PENSION CONTRIBUTIONS</b>	<b>0</b>	<b>-£1,972</b>	<b>-£3,492</b>	<b>-£3,747</b>	<b>-£3,747</b>	<b>-£8,455</b>	<b>-£10,586</b>

- 11.3.14 The case studies show that the effects of my proposed reforms will ensure that those officers who work unsocial hours, are fit enough to be deployed to the frontline and are in demanding, specialist skills-based roles that require the use of their warranted powers are paid more than those who are not. In some cases, a frontline officer will be earning substantially more than he does now, and these reforms will ameliorate the reduction in his take-home pay brought about by the rise in his pension contributions.
- 11.3.15 The case studies in this Chapter are just that; they cannot show all the potential variables that will affect an officer's pay. In those circumstances, the review has made available an internet-based tool to assist officers in determining the combined effect of the Home Secretary's decision to implement the PAT determination and the recommendations in Part 2. Police officers are encouraged to enter their particular details into the online calculator which can be found on the review's website ([www.review.police.uk](http://www.review.police.uk)).
- 11.3.16 For police staff, the recommendations in Part 2 of this review are unlikely to reduce the earnings of staff members beyond what was recommended in Part 1. Indeed, I have recommended a phased approach to some of those recommendations which may have a detrimental effect.

## 11.4 Next steps

- 11.4.1 The reforms recommended in both my reports represent a sound and balanced approach to the present system of pay and conditions for police officers and police staff, and will equip Chief Constables with the tools they need now and are likely to need in the next 30 years. I commend them to the official and staff sides of both the Police Negotiating Board and the Police Staff Council, as well as to those responsible for local force negotiations. I believe that police officers and police staff will recognise them as meeting the overriding principle of this review, which is fairness.

## Appendix 1 – List of recommendations

### Chapter 2

1. Recommendation 1 – The terms and conditions of police officers and staff should remain separate for the foreseeable future.
2. Recommendation 2 – The new police pay review body (see Chapter 10) should undertake a periodic review of the development of the police workforce, and its increasing professionalisation and specialisation, and make an assessment and recommendation to the Home Secretary as to the feasibility of attaining a greater degree of harmonisation of the terms and conditions of police officers and those of police staff. Where it is feasible, it should be done. The period in question should be five years.

### Chapter 3

3. Recommendation 3 – From April 2013, an additional qualification should be added to the list required for appointment to a police force in Regulation 10 of the Police Regulations 2003. Candidates eligible for appointment to a police force should have either a Level 3 qualification, or a police qualification which is recognised by the sector skills council, Skills for Justice, or service as a special constable or service as a PCSO (or another staff role which the chief officer is satisfied provides appropriate experience). The chief officer should have a discretion in relation to which of these criteria should apply to applicants for entry to his force.
4. Recommendation 4 – Forces should collaborate on the development of policing qualifications.
5. Recommendation 5 – The passmark for the 2013 SEARCH assessment process should be raised to at least 70%. This should be reviewed after five years to ensure that the academic threshold is sufficiently rigorous.
6. Recommendation 6 – The basic training of police officers should be improved so as more fully to cover the essential features of the place of the police in the criminal justice system.
7. Recommendation 7 – The police service should establish a programme of intensive promotion of itself, and all the advantages it has to offer, to young people in schools and universities throughout the country.
8. Recommendation 8 – From August 2013, a national Direct Entry (Inspector) scheme should be established with the objective of improving police leadership and offering rapid training and promotion to individuals of high ability and capacity. It should be run by the Police Professional Body with the co-operation of police forces. The intake should be set annually, with at least 80 participants in each intake. Around half of the scheme members should be external graduates and half in-service officers and police staff members. The scheme should be rigorous and highly selective.
9. Recommendation 9 – The Direct Entry (Inspector) scheme should last three years for external candidates and two years for internal candidates. Successful candidates should attain the rank of inspector at the end of the scheme. In the first year, external candidates should gain policing experience, and by the end of that year pass an intensive version of the diploma in policing. At the end of this year, participants who have met the requisite standard of achievement should be promoted to sergeant and begin a two-year course where they will be joined by in-service candidates who have also been promoted to sergeant. This course should have a residential element based at the national police college, and time spent in force. The course should focus on leadership, operational policing and management skills. Assessment should be rigorous and continuous. There should be two examinations a year which must be passed. Successful participants should be promoted to inspector on completion of the course.
10. Recommendation 10 – Paragraph 1 of Determination Annex C, made under Regulation 12 of the Police Regulations 2003, should be amended to allow those on an accelerated promotion

scheme recognised by the Home Secretary to serve a one-year probationary period, or shorter as the relevant chief officer determines in the circumstances of a particular case.

11. Recommendation 11 – Regulation 7(2) of the Police (Promotion) Regulations 1996 should be amended to provide that officers on an accelerated promotion scheme, recognised by the Home Secretary, should be promoted from constable to sergeant if they have met the criteria to join a recognised accelerated promotion scheme course, have completed one year's service and have passed a one year probation period, subject to the discretion of their Chief Constable. Officers promoted in such a manner should be on probation until they have completed two years' service at that rank or a recognised accelerated promotion scheme course, whichever is later.
12. Recommendation 12 – Regulation 7(4) of the Police (Promotion) Regulations 1996 should be amended to provide that officers on an accelerated promotion scheme recognised by the Home Secretary should be automatically promoted from sergeant to inspector upon passing a recognised accelerated promotion scheme course.
13. Recommendation 13 – The Police Professional Body should develop a distance-learning version of the policing technical certificate designed as a pre-entry requirement for the Direct Entry (Inspector) scheme and Direct Entry (Superintendent) scheme, or work with an appropriate education provider to do so.
14. Recommendation 14 – The Police Professional Body should lengthen the current 'Foundation for Senior Leaders' course so that those taking it learn about leadership, management and operational skills in greater depth. The course should last six weeks instead of three weeks.
15. Recommendation 15 – Officers wishing to become eligible for promotion to superintendent should first be required successfully to complete an enhanced 'Foundation for Senior Leaders Course'.
16. Recommendation 16 – Provision should be made in police regulations to enable police officers to be seconded to organisations outside policing for a period not exceeding five years.
17. Recommendation 17 – The Police Regulations 2003 should be amended to provide for the return to the police service of former non-probationary officers at the rank they last held. There should be no right of return and there must be a suitable vacancy. Return after more than five years should not be allowed other than in exceptional circumstances.
18. Recommendation 18 – The Police Regulations 2003 should be amended to provide that returning officers should be subject to a probationary period of six months.
19. Recommendation 19 – A national scheme for recruitment directly to the rank of superintendent should be established and brought into operation from September 2013. Participation in the scheme should be at the discretion of the chief officer. The scheme should last 15 months. Participants on the scheme should be persons of exceptional achievement and ability who have been assessed as having the potential to be senior police officers. They should be paid as superintendents on the lowest pay point whilst on the course. The knowledge, skill and experience required for them to operate competently and confidently as full superintendents should be delivered through a mixture of in-force training and an 18-week course of instruction at the police college.
20. Recommendation 20 – The scheme should be operated by the Police Professional Body, which should also meet the costs of the scheme, other than the support provided to scheme members by forces. It should be the decision of each Chief Constable whether or not his force will participate in the scheme. There should be an objective (but not a firm target) of there being 20% of superintendents recruited as direct entrants within ten years of the first superintendents completing the scheme in November 2015.
21. Recommendation 21 – Determination Annex C of Regulation 12 of the Police Regulations 2003 should be amended to provide that those entering above the rank of constable should serve a probationary period in accordance with the applicable direct entry scheme.
22. Recommendation 22 – The direct entry scheme for superintendents should be reviewed after a period of five years.

23. Recommendation 23 – From September 2013, the eligible experience for a Chief Constable set out in Determination Annex B, made under Regulation 11 of the Police Regulations 2003, should be amended to include service in a chief officer equivalent role overseas in a common law jurisdiction which practises policing by consent.
24. Recommendation 24 – The eligible experience for a Chief Constable set out in Schedule 8, Part 1, paragraph 2(1)(a) of the Police Reform and Social Responsibility Act 2011 should be amended to include service in a chief officer equivalent role overseas in a common law jurisdiction which practises policing by consent.
25. Recommendation 25 – The Police Professional Body should develop a flexible, tailored course of instruction for Chief Constables appointed from overseas.
26. Recommendation 26 – Determination Annex B, made under Regulation 11 of the Police Regulations 2003, should be amended to remove the requirement as to the length or place of service required to become a Chief Constable in the case only of officers to be appointed as Chief Constables from police forces outside the United Kingdom.

#### **Chapter 4**

27. Recommendation 27 – The sole criterion for the recruitment, advancement and promotion of police officers should be merit.
28. Recommendation 28 – All police forces should establish efficient methods for the active and constructive development of the careers of officers, irrespective of rank. The best candidates should be sought out and their potential developed and realised.
29. Recommendation 29 – Each force should establish a succession planning system which identifies projected vacancies and the people most likely to be best fitted to fill them, bearing in mind the long-term as well as the short-term needs of the individual, the force and the police service as a whole.
30. Recommendation 30 – Chief Constables should make greater use of ‘rank skipping’, so that an officer is not required to serve at every rank in his career if he is considered ready for promotion to a rank higher than the next.
31. Recommendation 31 – For each rank above constable, a core set of leadership, management and financing skills should be established by the new Police Professional Body. An officer should be trained and assessed in these before he is promoted.
32. Recommendation 32 – The responsibilities of the Police Promotions Examination Board for setting promotions standards should be subsumed into the Police Advisory Board of England and Wales so that recommendations on the standards required for entry and promotion are considered by the same body. When this has been done, the PPEB should be abolished.

#### **Chapter 5**

33. Recommendation 33 – A fitness test should be introduced in September 2013 for all police officers and staff required to undertake personal safety training. Participants should be required to attain level 5:4 on a 15-metre shuttle run. From September 2014, those who fail the test three times should be subject to the appropriate disciplinary procedures.
34. Recommendation 34 – From September 2018, an annual physical fitness test should be introduced for all police officers in England and Wales, equivalent to the test used for recruits in the Police Service of Northern Ireland.
35. Recommendation 35 – From September 2018, the national police recruitment test should be replaced by the more demanding physical assessment test used in the Police Service of Northern Ireland.
36. Recommendation 36 – From September 2018, probationers should have to prove their fitness against the more demanding physical assessment test of the Police Service of Northern Ireland.

37. Recommendation 37 – From September 2018, national fitness tests for specialist police officer roles should be introduced, designed most closely to test the physical capability of officers to discharge the responsibilities of the specialist police officers in the field.
38. Recommendation 38 – The Police Regulations 2003 should be amended to specify the procedure for determining the circumstances in which an officer may be placed on restricted duty, the arrangements which a Chief Constable may make for officers on restricted duty, and the adjustments to the pay of such officers.
39. Recommendation 39 – From September 2014, officers on restricted duty should have their deployability and capability to exercise police powers assessed one year after being placed on restricted duty. Officers who are not deployable and are not capable of work which requires the office of constable should sustain a reduction in pay equal to the value of the deployability element of the X-factor, namely the lower of eight *per cent* and £2,922 *per annum*. After a further year, appropriate proceedings should be initiated to dismiss or retire these officers from the police service on the grounds of incapability or poor attendance. Officers who are permanently disabled from working as police officers should be ill-health retired. Those who are not permanently disabled should be given the opportunity to resign as police officers and immediately take up a police staff job on police staff terms and conditions, if one is available.
40. Recommendation 40 – A former officer who resigns to take a police staff job or who is dismissed on the grounds of incapability or poor attendance following the restricted duty process, should be entitled to be considered for re-appointment if, following an assessment by an approved medical practitioner, the condition which previously compromised his capability is judged to have permanently changed so as to restore his ability to work as a police officer. Without the former officer having to go through the full selection process, the force should be required actively to consider whether a suitable vacancy at the former officer's rank exists or is likely to exist in the coming year. The force should have this duty for a period of five years after the officer has left.
41. Recommendation 41 – A returning officer should have an unblemished disciplinary record and be able to pass the fitness test. Forces should also assess carefully a record of poor attendance. Such former officers should be on probation for six months.
42. Recommendation 42 – The Police Act 1996 should be amended to give the Police Appeals Tribunal the same power as an employment tribunal in respect of the remedies it may order when it has found in favour of a claimant police officer.
43. Recommendation 43 – The normal pension age for police officers should be set at 60 in line with the implemented recommendations made by Lord Hutton of Furness.
44. Recommendation 44 – A future police pension scheme should retain the existing test which must be fulfilled for an officer to be considered for an ill-health retirement pension, that is that the officer should be permanently disabled for the ordinary duties of a police officer.
45. Recommendation 45 – A future police pension scheme should determine the size of a police officer's pension, when he is retiring on the grounds of ill-health, by considering both his length of service and his future capacity for regular employment.

## **Chapter 6**

46. Recommendation 46 – The Police Regulations 2003 should be amended to create a system of compulsory severance for police officers with less than full pensionable service from April 2013.
47. Recommendation 47 – The Police Regulations 2003 should be amended to provide for the payment of financial compensation to police officers with less than full pensionable service who leave the police service by reason of compulsory severance. Forces should be empowered to offer financial compensation on the same terms as are available under the Civil Service Compensation Scheme 2010.

48. Recommendation 48 – Officers who have been subject to compulsory severance should have access to employment tribunals if they wish to allege that their severance has been unfair.
49. Recommendation 49 – HMIC, in consultation with police forces, the Police Professional Body and the Home Office, should establish a national template for a force management statement which should be published by each police force with its annual report. The force management statement should contain consistently presented, reliable data about the projected demands on the force in the short, medium and long terms, the force's plans for meeting those demands, including its financial plans, and the steps it intends to take to improve the efficiency and economy with which it will maintain and develop its workforce and other assets, and discharge its obligations to the public. Each force management statement should also contain a report, with reasons, on the force's performance in the last year against the projections made for that year in the last force management statement. Exclusions should be permitted on security grounds.
50. Recommendation 50 – Compensation payments for Chief Constables and Deputy Chief Constables whose fixed term appointments are not renewed should be fair and more generous than the compensation available to officers who leave the police service by reason of compulsory severance, taking into account any pension entitlements. The current scheme should therefore remain.
51. Recommendation 51 – Hearings under the Police (Conduct) Regulations 2008, which have the power to dismiss an officer, should also have the power to remove some or all of the compensation payment for the contract of appointment to which the chief officer is currently subject if there has been a violation of the mandatory standards of professional conduct under the Police (Conduct) Regulations 2008.
52. Recommendation 52 – Fixed term appointments for Chief Constables and Deputy Chief Constables should remain in place.

## **Chapter 7**

53. Recommendation 53 – The current maximum basic pay for constables should remain at £36,519.
54. Recommendation 54 – A new, shorter pay scale for constables should be introduced for new entrants from April 2013 as outlined in Table 7.12 of this report. It should have a lower starting salary than the current scale, but should allow constables to move to the maximum more quickly.
55. Recommendation 55 – Pay points 6, 7, and 9 should be removed from the existing constables' pay scale in April 2014, 2015, and 2016 respectively. This will allow constables to move to the maximum more quickly and ensure that the current and new pay scales merge in 2016.
56. Recommendation 56 – Pay point 0 of the current sergeants' pay scale should be removed from April 2014 to ensure that sergeants are always paid more than constables, consistent with the greater responsibilities of the job.
57. Recommendation 57 – The London lead for the inspecting ranks in the London forces should be maintained in the short-term. The police pay review body should consider the London lead in its first review. Unless the pay review body is satisfied that the inspecting ranks in London do indeed have greater responsibilities and workloads than their counterparts elsewhere, the London lead should be abolished.
58. Recommendation 58 – The police pay review body should, in its first triennial review, consider further increasing the gap between the constable and sergeant pay scales, and between the inspector and chief inspector pay scales, to ensure that good candidates are incentivised to seek promotion.
59. Recommendation 59 – The national spend on bonuses and double increments for superintendents should be reinvested into a revised three-point pay scale for superintendents, with a starting salary of £60,094 and a maximum of £72,585 from April 2014.

60. Recommendation 60 – The post-related allowance for chief superintendents should be abolished. The cost of the post-related allowance, bonus payments and double increments, should be reinvested into a revised basic pay scale for chief superintendents with a starting salary of £77,215 and a maximum of £81,457 from April 2014.
61. Recommendation 61 – Assistant Chief Constables should remain on a single national pay scale.
62. Recommendation 62 – The pay scale for Assistant Chief Constables should be replaced with a three-point pay scale. It should start at £93,753 have a second pay point at £99,798 and a maximum of £105,849. Existing pay points 1, 3 and 5 should be removed in April 2014, 2015 and 2016 respectively.
63. Recommendation 63 – The pay of Deputy Chief Constables should remain unchanged in the short-term.
64. Recommendation 64 – Police and crime commissioners should have the power to set the Chief Constable's basic pay at any level which is up to ten *per cent* above or below the national rate for a Chief Constable in the force in question.
65. Recommendation 65 – Each police and crime commissioner should publish in his annual report the rate of basic pay agreed with the Chief Constable, and the reasons why it was set at that level, together with the details and value of all benefits received by chief officers.
66. Recommendation 66 – All police forces should review, and if necessary amend, their pay grading structures to ensure that they are fully compliant with the requirements of the Equality Act 2010.
67. Recommendation 67 – Police forces should review pay grading structures at the earliest opportunity, and in any case not later than April 2013. Where they establish that pay scales are excessively long, they should be shortened as fairly and quickly as possible, consistently with the need for efficiency and economy.
68. Recommendation 68 – Police staff pay grading should continue to be undertaken by individual police forces.
69. Recommendation 69 – Police forces should review and, if necessary, amend their pay grading systems in relation to local pay rates to ensure that they are paying no more than is required to recruit and retain individuals of the requisite quality. Any necessary adjustments to grading systems should be made with sensitivity to the personal financial circumstances of the police staff affected, who should be provided with an appropriate degree of pay protection as any necessary changes are brought into effect over time.
70. Recommendation 70 – Forces should undertake this review as part of their normal salary determination processes. The review should begin not later than April 2013.
71. Recommendation 71 – The deployment component of the police officer X-factor should be established to be 8% of basic pay for constables. For other ranks, it should be expressed in cash terms, benchmarked at 8% of the maximum of constables' basic pay.
72. Recommendation 72 – The value of the deployment component of the X-factor should be reviewed every five years. The new police pay review body, recommended in Chapter 10, should conduct the review.
73. Recommendation 73 – The new police pay review body should review the level and scope of regional allowances for police officers. The national rate of basic pay should only be raised if justified by recruitment and retention problems in force areas with the least competitive labour markets. Local recruitment and retention problems should be solved through an enhanced system of regional allowances. The pay review body should begin this work in its first review.
74. Recommendation 74 – Chief Constables should be given discretion to pay regional allowances up to the current maximum level, as set out in Determination Annex U made under Regulation 34 of the Police Regulations 2003, and the discretion to apply eligibility criteria based on location and performance.

75. Recommendation 75 – Forces that recruit constables in the first five years of their service should pay compensation to the force from which they have recruited the constable, to ensure that training costs are fairly shared amongst all forces.
76. Recommendation 76 – The new police pay review body should consider the case for the extension of a system to reimburse the training costs of specialist police officer roles, such as firearms, in its first triennial review.
77. Recommendation 77 – Police staff pay grading should continue to be determined at force level.
78. Recommendation 78 – Police forces should examine how their police staff salaries relate to the local labour market, and adjust them if they are found to be paying rates that are above or below the level necessary to recruit and retain individuals of the right calibre.

## Chapter 8

79. Recommendation 79 – The Police Professional Body should amend the current NPIA PDR model to make it fit for use as the basis of contribution-related pay in the police service. This will involve: (a) reducing the number of box markings to three and giving clear definitions of each; (b) taking account of continuous professional development in the final box-marking; (c) including a record of attendance in the PDR; (d) taking account of whether the officer has passed the new fitness test; (e) developing guidance for the use of moderation panels to ensure force-level consistency, and forced distribution to identify the least effective 10% of officers and staff.
80. Recommendation 80 – The amended NPIA PDR template, and its accompanying guidance, should be established as the minimum standard for appraisal in the police service. Forces should be at liberty to develop and improve the PDR system thus established, but they should not disturb or eliminate its essential features. Forces should abide by its guidance, particularly in relation to (a) minimising bureaucracy; and (b) working on the assumption of competence.
81. Recommendation 81 – The amended NPIA PDR should be used in all forces in England and Wales beginning in 2014/15. Training should be given in advance to all line managers to ensure that they can use the PDR efficiently and effectively, so as to inspire confidence in the system and its operation.
82. Recommendation 82 – Forced distribution should be used to identify the least effective 10% of officers and staff. The forced distribution should be decided upon in moderation panels. Line managers of officers and staff who are the least effective 10% of performers must consider the use of unsatisfactory performance procedures for officers and the equivalent procedures for police staff. A written note must be made explaining what action was taken, and why, in the case of each individual.
83. Recommendation 83 – Competence Related Threshold Payments should be abolished by April 2013 at the latest, and all accrued CRTP payments up to that date should be made on a pro-rated basis.
84. Recommendation 84 – Pay progression for officers in the Federated ranks should be subject to a satisfactory box marking in the annual appraisal. Those officers who receive a box marking of ‘satisfactory contribution’ or above should advance by one pay increment; those who receive an ‘unsatisfactory contribution’ box marking should remain on the same pay point for a further year. This should be introduced for sergeants, inspectors and chief inspectors in 2014/15 and for constables in 2015/16.
85. Recommendation 85 – ACPO, and the Police Federation and police staff trade unions, along with other interested parties, should establish a series of new national policing awards for police officers and staff.
86. Recommendation 86 – Pay progression for officers in the superintending and ACC ranks should be subject to at least a satisfactory box marking in the annual appraisal. Those officers whose contribution is marked as satisfactory or above should advance by one pay increment; those who receive an ‘unsatisfactory contribution’ box marking should remain on the same pay point for a further year.

87. Recommendation 87 – Double increment pay progression should be abolished in April 2013.
88. Recommendation 88 – Individual bonus schemes for officers in the superintending, ACC and DCC ranks should be abolished in April 2013.
89. Recommendation 89 – The bonus scheme for Chief Constables should be abolished with effect from April 2013.
90. Recommendation 90 – Contribution-related pay progression should be extended so as to apply to all police staff.
91. Recommendation 91 – Performance-related bonus schemes for police staff, of all grades, should be abolished with effect from April 2013.
92. Recommendation 92 – Chief officer bonuses which are awarded to police officers for performing outstandingly demanding, unpleasant, or important work should be maintained, and police staff in all forces should be eligible to receive these payments on the same terms as officers.

## Chapter 9

93. Recommendation 93 – The present implementation of the Policing Professional Framework (PPF) for police staff roles should continue.
94. Recommendation 94 – An interim Expertise and Professional Accreditation Allowance (EPAA) should be introduced from April 2013. It should reward qualifying officers for the skills they use in the four stated priority functions: neighbourhood policing; public order; investigation; and firearms. The EPAA should be £600 *per annum*, and should be paid monthly. It should be removed when an officer leaves the qualifying role. The EPAA should be abolished when the Specialist Skills Threshold is introduced.
95. Recommendation 95 – A Foundation Skills Threshold should be introduced at the fourth point of the constables' pay scale by 2016 at the latest. It should test the officer's knowledge and understanding of the fundamentals and essential details of the criminal law, including the rules of evidence and procedure, the constitutional position of the police, including their accountability, and the rights of witnesses, victims and suspects, and other citizens. The Police Professional Body should be remitted to devise the test.
96. Recommendation 96 – Every constable should attempt the Foundation Skills Threshold, and only those who pass the test should be allowed to move up the pay scale. Constables should be re-tested every five years. Repeated failures to pass the test should lead to the constable being entered into the force's unsatisfactory performance procedures.
97. Recommendation 97 – A Specialist Skills Threshold should be introduced at the final pay point of all police officer pay scales up to and including chief superintendent, by 2016 at the latest. It should consist of a rigorous test of the specialist knowledge and skills required in each role and rank. The Police Professional Body should be remitted to devise the test.
98. Recommendation 98 – Officers who pass the Specialist Skills Threshold test should move up to the pay maximum for their rank, and receive an accredited qualification. The test should be re-taken every three years. Failure to pass the re-test should result in the officer reverting to the highest non-threshold pay point.
99. Recommendation 99 – The Specialist Skills Threshold should apply only to those roles that require the warranted powers or expertise of a police officer. A suggested list for the Federated ranks is provided in Table 9.6. The Police Professional Body should be remitted to determine which roles are eligible for the Specialist Skills Threshold. When established, the prescribed skill areas should be determined by the police pay review body with the advice of the Police Professional Body, which should accredit them and set the standards to be attained.
100. Recommendation 100 – A Specialist Skills Threshold should be introduced at the final pay point of police staff pay scales, and should operate in the same way as for police officers. It should be for police forces to determine which of their police staff roles are eligible for the

- Specialist Skills Threshold, using implementation of the Policing Professional Framework and Authorised Professional Practice as the basis for establishing which roles require specialist skills.
101. Recommendation 101 – A Public Order Allowance (POA) should be established when the EPAA is removed. It should be paid to those officers who have attained Level 1 or 2 public order accreditation and who have been deployed to at least six public order operations during a 12-month period in which the ‘Gold, Silver, Bronze’ Command Structure was activated. The POA should be £600 *per annum*.
  102. Recommendation 102 – The continued eligibility of the qualifying group of public order officers to receive the Public Order Allowance should be considered every five years by the new police pay review body. The police pay review body should consider whether, and by how much, it should be updated each year.
  103. Recommendation 103 – The Police Regulations 2003 should be amended to provide the Commissioners of the Metropolitan Police with the authority to determine an appropriate level of buy-out of the casual overtime of specialist protection officers.
  104. Recommendation 104 – The Commissioner of the Metropolitan Police should determine an appropriate buy-out of the casual overtime of specialist protection officers which results in a greater harmonisation of the pay of specialist and royalty protection officers, and which takes appropriate account of the unique requirements of specialist protection officers.
  105. Recommendation 105 – In 2017, the recommended police officer pay review body should reconsider the buy-out of sergeants’ casual overtime.
  106. Recommendation 106 – Annual Data Returns from forces should include separate breakdowns of overtime hours worked, and total overtime spend for constables and sergeants.
  107. Recommendation 107 – The Police Staff Council’s Handbook, Section 1, paragraph 6.1.2 should be amended to provide for the payment of additional hours of Sunday working at the rate of plain time. This should be agreed with the Police Staff Council and incorporated into contracts of employment. In the case of police forces outside the PSC arrangements, these changes should be agreed in the usual manner with the relevant unions.
  108. Recommendation 108 – For working public holidays, police staff should receive double time for 25 December and seven other days chosen by the individual before 31 January for the next financial year. Managers should have the right to refuse requests if a date proves too popular and force resilience becomes questionable. Cancellation with fewer than 15 days’ notice should require the authorisation of an Assistant Chief Constable.
  109. Recommendation 109 – Changes to police staff overtime payments should take effect from April 2016, in conjunction with recommendations 107 and 108 relating to the payment of police staff unsocial hours. The Police Staff Council and other negotiating forums should spend the period before implementation determining how to mitigate any undue detrimental effects that changes to overtime payments may have on some police staff.
  110. Recommendation 110 – The definition of unsocial hours for police officers and staff should be harmonised. For both officers and staff, it should be defined as work which takes place between the hours of 8:00pm and 6:00am, with all days of the week being of equal weight.
  111. Recommendation 111 – By April 2016, Section 1, Subsection 8 of the Police Staff Council Handbook should be replaced with a provision for the payment of police staff at the rate of 100% uplift in pay (double time) for each unsocial hour worked. The PSC should conduct further research to ensure this recommendation is affordable.
  112. Recommendation 112 – A national on-call allowance for the Federated ranks should be introduced from April 2013. The amount of the allowance should be £15 for each daily occasion of on-call after the officer in question has undertaken 12 on-call sessions in the year beginning on 1 April.

- 113. Recommendation 113 – The national on-call allowance should be reviewed by the new police pay review body in its first triennial review when better management data are available.
- 114. Recommendation 114 – Forces should compile clear management data on the voluntary deployment of officers on-call.

## **Chapter 10**

- 115. Recommendation 115 – The Police Negotiating Board should be abolished and replaced by an independent police officer pay review body by late 2014.
- 116. Recommendation 116 – The membership and terms of reference for the new police pay review body should be as specified in Chapter 10 of this report.
- 117. Recommendation 117 – Once the police pay review body has been established, police pensions should be handled by the Police Advisory Boards of England and Wales, Scotland and Northern Ireland.
- 118. Recommendation 118 – The Senior Salaries Review Body should take responsibility for setting the pay of Chief Constables, Deputy Chief Constables and Assistant Chief Constables by 2014.
- 119. Recommendation 119 – The Police Staff Council should receive approximately £50,000 *per annum* from police forces to fund regular data surveys of the remuneration and conditions of police staff.
- 120. Recommendation 120 – All police forces should negotiate a strike resolution procedure for police staff which is similar to that used by Surrey Police.
- 121. Recommendation 121 – The chair of the PABEW should ensure issues for its consideration are discussed with greater despatch and efficiency, and that as far as reasonably practicable they are disposed of within six months of being raised.

## Appendix 2 – Phased introduction

One of the principles guiding this review is phased introduction and implementation. Some reforms should be introduced over time, so that police officers and staff do not feel threatened and the system has time to adjust. Cultural and historical blockages need to be dissolved, management needs time to learn and demonstrate its ability to operate new systems before they are brought fully into effect. People also need to have confidence that the system will treat them fairly.

This principle can be found throughout the Part 2 report, but for ease of reference the principal recommendations have been summarised into a proposed timeline for implementation below. For this purpose, it has been assumed that the recommendations are accepted in full and implemented as quickly as possible. Furthermore, many of these recommendations are contingent upon the successful implementation of other, interconnected, recommendations. Therefore, any delay to the latter will have an adverse effect on the former. It is in the police service's interest to ensure that there is a managed and phased implementation. For these reasons, I recommend the formation of a team within ACPO to ensure that these changes are proactively managed at a national level and blockages quickly removed.

### 2013

- ENTRY ROUTES – April 2013 – Pass rate for the 2013 SEARCH assessment process raised to at least 70%;
- ENTRY ROUTES – April 2013 – Higher academic and experiential standard for general recruitment to the constable rank introduced;
- BASIC PAY – April 2013 – New constables join on the revised constables' basic pay scale;
- MANAGING THE WORKFORCE – April 2013 – Police forces begin to publish an annual 'force management statement';
- MANAGING THE WORKFORCE – April 2013 – A reserve power akin to compulsory severance is introduced for police officers;
- ENTRY ROUTES – August 2013 – Applications open for the Direct Entry (Inspector) scheme;
- ENTRY ROUTES – September 2013 – Applications open for the Direct Entry (Superintendent) scheme;
- ENTRY ROUTES – September 2013 – individuals with service in a chief officer equivalent role overseas considered appropriate by the Police and Crime Commissioner should be eligible to become Chief Constables;
- HEALTH AND FITNESS – September 2013 – Annual in-service fitness commences for all officers and some police staff;

### 2014

- BASIC PAY – April 2014 – Pay point 6 of the current constables' pay scale is removed;
- BASIC PAY – April 2014 – Pay point 0 of the current sergeants' pay scale is removed;
- BASIC PAY – April 2014 – Superintendent pay scale reduces to three points, chief superintendent pay scale increases in monetary terms and the post-related allowance is abolished;
- BASIC PAY – April 2014 – Pay point 1 of the current Assistant Chief Constable pay scale is removed;

- APPRAISING PERFORMANCE – April 2014 – Pay progression for the ranks of sergeant and above is subject to satisfactory performance;
- ENTRY ROUTES – June 2014 – First tranche of recruits join the Direct Entry (Superintendent) scheme;
- HEALTH AND FITNESS – September 2014 – Officers can lose 8% of their constable pay if they repeatedly fail the new fitness test;
- HEALTH AND FITNESS – September 2014 – New approach to restricted duties brought in;
- ENTRY ROUTES – October 2014 – First tranche of recruits join the Direct Entry (Inspector) scheme;
- NEGOTIATING MACHINERY – Legislation to create a Police Pay Review Body receives Royal Assent and the Police Negotiating Board abolished;
- NEGOTIATING MACHINERY – The consideration of pay of officers at chief officer rank is transferred to the Senior Salaries Review Body.

## **2015**

- BASIC PAY – April 2015 – Pay point 7 of the current constables' pay scale is removed;
- BASIC PAY – April 2015 – Pay point 3 of the current Assistant Chief Constable pay scale is removed;
- APPRAISING PERFORMANCE – April 2015 – Pay progression for the rank of constable and all police staff is subject to satisfactory performance;
- ENTRY ROUTES – November 2015 – First tranche of recruits graduate from the Direct Entry (Superintendent) scheme.

## **2016**

- BASIC PAY – April 2016 – Point 9 of the current constables' pay scale is removed;
- BASIC PAY – April 2016 – Pay point 5 of the current Assistant Chief Constable pay scale is removed;
- ROLE BASED PAY – April 2016 – Police constables undertake a foundation level skills threshold test to reach the new pay point 4 on the scale;
- ROLE BASED PAY – April 2016 – All police officers up to and including chief superintendent and police staff equivalents undertake an expertise skills threshold test to reach the top of their pay scale;
- ROLE-BASED PAY – April 2016 – The Expertise and Professional Accreditation Allowance is removed and replaced by a Public Order Allowance;
- ROLE-BASED PAY – April 2016 – Single approach to unsocial hours is introduced for police staff;
- ROLE-BASED PAY – April 2016 – Single approach to overtime eligibility is introduced for police staff.

## **2017**

- ENTRY ROUTES – October 2017 – First tranche of recruits graduate from the Direct Entry (Inspector) scheme.

## 2018

- **ROLE-BASED PAY** – April 2018 – The Police Pay Review Body re-examines the arguments for and against, as well as the data concerning, the possibility of buying out sergeants' casual overtime;
- **HEALTH AND FITNESS** – September 2018 – New, more demanding fitness test commences for police recruits, probationers and all officers and those police staff taking the annual in-service fitness test;
- **HEALTH AND FITNESS** – September 2018 – New national fitness tests for specialist police officers introduced based on activities actually experienced in these roles;
- **ENTRY ROUTES** – Pass rate for SEARCH assessment process reviewed to ensure the threshold is sufficiently rigorous.

## Appendix 3

# The Determination of the Pay of Police Officers and Staff: Economic Analysis of the Issue for Part 2 of the Review

Professor Richard Disney, University of Nottingham

## **Acknowledgements**

My thanks to the members of the review, Mr Tom Winsor and Sir Edward Crew for suggestions concerning the structure and content of this report; to the secretariat of the review team, especially Dr Elizabeth Wright and Mr Paul Wylie, for advice and for provision of some data utilised in this report; to the National Policing Improvement Agency and particularly Mr Charles Eyre and Mr Howard Clemence for providing data, to the police pension team and the Government Actuary's Department for information on police pensions and police life expectancy, to UNISON for enabling me to use its data on pay of police staff; to ACPO for useful discussions, and to Dr John Gathergood and Dr Jelena Lausev of the University of Nottingham for assistance in some of the statistical analyses.

## Contents

### Executive summary

### The Report

- 1 Introduction**
- 2 Summary of earlier results, and the analysis of the Annual Survey of Hours and Earnings, 2010**
  - 2.1 Previous analysis
  - 2.2 Developments since the first Review
  - 2.3 The position of the police in the pay distribution in 2010 and 2011
  - 2.4 Looking forward
- 3. The appropriate level of pay for police officers: a market test**
  - 3.1 Introductory comments
  - 3.2 Recruitment: key issues
    - Stage 1: Vacancy data
    - Stage 2: Application data to individual police forces
  - 3.3 Stage 3: The National Competency threshold
  - 3.4 Stage 4: Selection conditional on achieving the competency threshold
  - 3.5 Retention
  - 3.6 Recruitment and retention – A summing-up of the evidence
- 4. The appropriate level of pay for police officers: The intrinsic value of the job**
  - 4.1 Compensation for the nature of the job: general principles
  - 4.2 The specific ‘intrinsic value of the job’ for police officers
  - 4.3 Quantifying and ‘X-factor’ or ‘pay premium’ for the police
  - 4.4 Overview of the ‘police premium’
- 5. The role of incremental pay structures**
- 6. Regional pay**
  - 6.1 Variation in pay of police officers relative to outside earnings across police forces
  - 6.2 Regional pay ratios by public sector occupations
  - 6.3 Police area pay variation of police staff
  - 6.4 Policy options

## Executive summary

1. As noted in my report to the first review, police officers' (constables and sergeants) average earnings are significantly above the mean (and even more clearly, the median) in the occupational pay distribution. This level of earnings is on a par with many white collar professions whose members have many more formal educational qualifications, and are some 10-15% above other uniformed and emergency occupations. These findings continue to be true using the 2010 Annual Survey of Hours and Earnings (ASHE) data and the provisional published results for ASHE 2011.
2. Recent announcements concerning economic trends suggest that pay growth in the police service will continue to be limited, in common with other public sector occupations. Measures are also under discussion to increase contributions to the police pension schemes, and to change both normal pension age and other features of the police pension schemes.
3. This report investigates the appropriate pay level and scale for police officers of different ranks. It suggests that two tests are broadly appropriate. First, can the police recruit and retain both officers and staff of appropriate quality? It refers to this as a *market test* for the level of police pay. The second test asks whether officer pay is set at an appropriate level to reward the complexity and requirements of the 'Office of Constable'? It refers to this as an *intrinsic value of the job test*. Each of these tests is considered in detail.
4. Recruitment of the police is investigated in the report at a number of stages: evidence of vacancies and hard-to-fill vacancies as a measure of recruitment difficulties; the handling of applications by police forces; the operation of the national system of assessing would-be police applicants through the National Policing Improvement Agency, and the ultimate selection among successful candidates in attaining the competency threshold by police forces.
5. Vacancy data in the police service are mostly a poor measure of pressure in the labour market. The analysis recommends that police forces should put their vacancy and recruitment data on a consistent and coherent basis, and that such data should be publicly available in a national website (whether as a recruiting website or an information centre analogous to the NHS Information Centre).
6. Aspects of the recruitment process are not organised on a basis such as to reduce both the sheer volume of applications (many of which never get close to satisfying the criteria for being a police officer) and to provide a consistent and standardised application procedure. The process by which individual police forces seek new recruits and provide data on the recruitment procedure to the Home Office should be reconsidered. The analysis suggests that police force returns on establishment, on vacancies, on officer and police staff applications received and vetted, on officer candidates submitted to the national assessment, and on establishment joiners and leavers, should be provided on a standardised basis.
7. A statistical examination of the success rates of candidates to the national assessment put forward by police forces was carried out. The results have implications for police forces in terms of submission of candidates for assessment. For example, it suggests that requiring a minimum standard of 'A' levels would achieve a greater success rate in the absence of compensating factors (such as previous police experience), as would an applicant being in their mid-20s. Success rates among female candidates are significantly higher. Changes to procedures would be likely to increase the number of successful recruits within the existing application process.
8. There is no evidence that local labour market pressures (as measured by earnings in the local economy) have any bearing on the quality and success rate of candidates put forward by police forces.
9. There are systematic differences in the number of candidates put forward by police forces who are successful in achieving the competency standard and in the numbers actually recruited by those police forces. Some thought should be given to compensation mechanisms for those

police forces which persistently put forward successful candidates that are then recruited by other forces.

10. There is no evidence of a general problem of retention of police officers. However, there is some evidence of transfers out of some inner South East police forces into the Metropolitan Police Service. This has implications for the relative magnitudes of the supplements and fringe benefits available to officers in the Metropolitan Police relative to those in adjacent police force areas.
11. The ‘intrinsic value of the job’ criterion for police pay has close parallels with the award of ‘X-factor’ to the armed forces for the special nature of service. The report considers a variety of special factors intrinsic to the career of police officer. It notes that people self-select into careers and that some intrinsic job characteristics should not be compensated by a pay premium.
12. The report then considers four criteria relating to the nature of police work that might justify a premium being paid to police officers: within-service mortality risk, post-retirement mortality risk, the stressful nature of work, and ‘deployability’. It argues that there is little case for a premium being paid for the first two criteria in the case of police officers; however more stressful jobs in the labour market are generally rewarded a premium of around 8-9% over pay of jobs with equivalent training and experience requirements. ‘Deployability’ may justify a premium but it is hard to find labour market evidence of comparable jobs (such as ‘on-call’ workers) that receive a premium in such circumstances. It should be noted that officers are subject to regulations, not contract, so this may account for the relative scarcity of precedents. Few, if any, other employees can be deployed as flexibly as police officers. The evidence suggests that, in the absence of recruitment and retention issues, the ‘intrinsic nature of the job’ does not justify a premium of 10-15% over other emergency and uniformed services in the absence of recruitment and retention pressures. A figure of 8-10% seems more appropriate for the deployment aspect of the x-factor, capturing as it does the various factors outlined here that are intrinsic to the work of police officers.
13. The report considers the case for long incremental scales. It argues that the specific institutional conditions for long incremental scales advanced in the personnel economics literature do not exist in the police service; rather incremental scales should reward the acquisition of skills and above-average performance, with promotion the reward for evidence of competency at higher levels of task complexity and performance.
14. The report examines the issue of regional pay. It shows that, in common with other public sector occupations, the ratio of average police pay to local average pay varies widely across the regions. It shows that there is greater local variation in pay among police staff other than officers, but again an incomplete match to local pay levels. It considers the arguments for and against a stronger ‘local facing’ component in police pay determination.
15. The report considers options for greater regional pay differentiation: local bargaining, formula-based national pay-setting with the formula including local pay rates, and national pay-setting with adjustments for high cost area payments and the addition of local recruitment and retention premia. It emphasises the need for transparent methods of pay-setting which can be accessed and amended by parties as conditions change over time.

## 1. Introduction

16. In my analysis for the first part of this Review, I undertook an investigation of the pay of police officers and staff from published data. This analysis comprised a comparison of police scale rates and earnings in the decade up to 2009 relative to those of other occupations, especially the uniformed and emergency services and other professional public sector occupations; an analysis of the hours of police officers; of the pay of police officers relative to police officers in a number of other countries; of the pay of police staff relative to the pay of comparators elsewhere in the public and private sector; of pension and retirement provisions for police officers and staff; and the general determinants of pay bill increases across police forces.
17. In this contribution to the second Review, I deal with a broader range of questions concerning remuneration of members of the police service. These questions underpin the analysis of the future challenges facing police forces and the proposals for reform and restructuring of police pay and conditions which are contained in the second report of the Review. Whereas the analysis that I undertook for the first Review was essentially descriptive, in the sense of collecting data that would underpin the initial recommendations of the Review, some of the recommendations that will be made here require judgements concerning policy recommendations. My task in this second analysis for the overall Review, therefore, is to ensure that these judgements are evidence-based, to the extent that empirical evidence can be brought to bear on such issues.
18. The issues that will be discussed in the ensuing analysis are:
  - What should be the appropriate pay level and scale for a police officer at different ranks? I shall suggest that two tests are broadly appropriate.
  - First, can the police recruit and retain both officers and staff of appropriate quality? I refer to this as a *market test* for the level of police pay. This test is a key criterion utilised by Review Bodies when analysing the appropriate pay increases for other key public sector workers. As will be suggested in what follows, there is evidence of a plentiful supply of potential new recruits for police forces, and therefore this issue translates into a second question: assuming police forces can recruit, can they recruit to a required *quality*? Answering this modified question is more difficult: it clearly requires some criterion by which to define ‘appropriate’ quality, and an assessment of whether existing and potential officers match up to it. Given a lack of job evaluation, and the somewhat rudimentary performance evaluation of existing police officers, I argue that this is best understood by attempting to measure the *quality of new recruits*, for which there are data. I also discuss the rationale, or otherwise, for using incremental pay scales rather than ‘spot’ pay to incentivise workers, and the criteria that might be used to differentiate average pay across *ranks* within the police force.
  - There is, however, a second test concerning the level of police pay. This asks: is pay set at an appropriate level to reward the complexity and requirements of the ‘Office of Constable’? I refer to this as an *intrinsic value of the job test*. Whilst a market test is an important criterion in judging police pay, it is also clear that the position of the pay of police officers and other staff in the wider pay structure should reflect the inherent attributes of the various and complex tasks involved in being a police officer. Normally, this type of test invites some method of comparing occupations such as job evaluation. However comprehensive job evaluations in the public sector have proved to be expensive and time-consuming, and are arguably considerably less appropriate in the case of police officers (as opposed to police staff) because the ‘Office of Constable’ is a unique public office with no obvious private (or indeed public) comparators. I therefore approach this question as one of *compensating differentials* in pay – a basis for the analysis of appropriate pay differentials across occupations which stems from Adam Smith. However, this methodology closely parallels similar issues that arise in public sector determination elsewhere – most notably in the concept of ‘X-factor’: the proportion of pay that is paid to the armed forces that is deemed attributable to the unique nature of that employment.

- A related question concerns the pay of police staff, other than officers. Given the nature of staff contracts, we would expect pay to be more closely related to local labour market conditions and for performance to be more easily judged by standard HR practices. However a particular issue arises of the differentials between pay of police officers and police staff since the Review provides evidence of overlap in the conduct of many functional tasks between police officers and police staff. Both for budgetary and evaluative reasons, it makes little sense to employ individuals on entirely different pay scales to carry out identical tasks. This issue requires further analysis here.
  - The next issue is the regional dimension of police pay. Police officers' pay is broadly nationally bargained, with some additional allowances for high cost areas in London and the South East, as detailed in my previous report. This closely follows other public sector groups, especially those within the remit of Review Bodies. In contrast, pay of police staff is set locally. There are several subsidiary questions here. Should police officers' pay contain a local component, whether nationally bargained or by allowing local discretion? Should local variation relate to scale rates or simply permit additional discretionary local allowances for cost-of-living differences or for recruitment and retention issues? If local pay of police staff exhibits greater variation, does this greater variation reflect local labour market conditions or is it also closely tied to variations (albeit of a lower magnitude) in police officer pay across forces?
19. The primary data source used in my first report was the Annual Survey of Hours and Earnings collected by the Office of National Statistics for the years up to and including 2009. This survey is the primary, universally accepted, official data source on hours and earnings for occupations in the UK, collected as a random sample of employees from employers' records. In my first Review, I supplemented ASHE with other data sources, including data on international pay comparisons collected by myself, and by various official statistics provided by the Home Office and individual police forces at my request.
  20. In this Review, I update the analysis of the Annual Survey of Hours of Earnings (ASHE) to include the year 2010 (as well as preliminary results for 2011). As the next section will demonstrate, the analysis of later ASHE surveys broadly confirms the statistical findings from my earlier report. However, in this Review I utilise other disaggregations of ASHE, such as to the local authority level, which I map into local police force areas. I also supplement the analysis with data on vacancies and applications, most helpfully provided by a number of police forces, by data very kindly provided by the National Policing Improvement Agency (NPIA) on the characteristics of candidates for the national assessment of recruits, by measures of quality provided by the Association of Chief Police Officers, and by other statistical data provided by organisations ranging from the Police Pension funds and the Home Office through to the trade union, UNISON. I am indebted to all those who provided me with data.
  21. Before undertaking these analyses, it is useful to summarise very briefly my main findings from my analysis from the first Review, and to update these with the latest ASHE data for 2010.

## **2. Summary of earlier results, and the analysis of the Annual Survey of Hours and Earnings, 2010**

### **2.1 Previous analysis**

22. In summary, the main messages from my analysis of pay and hours for Part One of the Review were as follows:
1. Police officer scale rates are generally 10-15% higher than those of the other emergency services and for similar ranks in the armed forces.
  2. Earnings of police officers are comparable to those in many white collar and professional occupations. Using the ASHE data, average earnings of male police officers from constable to sergeant level are located at around the 75th percentile of the male full time earnings distribution. The earnings of female police officers at these grades are around the 80% percentile of the full time female distribution. Officers at inspector and above are in the top 10% of the earnings distribution.
  3. The position of police officers in the earnings structure has remained roughly constant in the last decade.
  4. Female police officers (averaged across constables and sergeants) earn on average 10-15% less than male police officers, either because of a lower proportion of sergeants or because they are on average lower down the incremental scale. Home Office simulations have since suggested to me that the latter explanation is more appropriate. This gender gap is however significantly lower than the average gender gap across all occupations. Among senior police officers, females earned slightly more, on average, than male officers in 2009, due to their composition across ranks.
  5. Data returns to the ONS from a number of police forces suggest that police staff earn significantly less than police officers but their pay is broadly comparable with similar occupations in other sectors, where such comparisons can be made.
  6. There is regional variation in average police pay, and in the ratio of average police pay to average pay across occupations in each region. In particular, police officers' pay in London and the South East is close to average pay in those regions (where pay in the private sector is considerably higher than elsewhere), whereas police officers in regions such as the North and Wales earn a considerable premium over average earnings in those regions.
  7. International comparisons of police pay should be treated with caution. Nevertheless, comparisons suggest that average police pay in Northern Europe (Denmark, Germany and Sweden) is closer to national average earnings than in England and Wales, putting police in those countries at a lower point in the earnings distribution. In contrast, police pay in Australia, Canada and New Zealand lie at a similar point in the earnings distribution to average police pay in England and Wales. In the United States, police pay is locally bargained and there is wide variation across the country.
  8. The combination of early normal pension age (NPA) at age 50 or after 30 years' service, and accelerated accrual of pension rights after 20 years' service, rendered the 1987 police pension scheme among the most generous of public sector pension schemes in the UK. After the public pension reforms of the 2000s (including the 2006 new police pension scheme), the police scheme remains among the most attractive in terms of NPA (age 55) although the 'return' on contributions to the police scheme have been reduced markedly by the 2006 reform and by the shift from RPI to CPI indexation of public pension schemes. Nevertheless police officers pay the highest contribution rate of any public pension scheme, but contributions from employers to the scheme are also among the highest in public pension schemes.

## 2.2 Developments since the first Review

23. Since the publication of the first report of this Review in (March) 2011, there have been a number of developments which impinge on the current analysis of police service pay and conditions.
24. First, further data have become available, notably a later round of the ASHE data set (2010), and indeed provisional ASHE findings for 2011.
25. Second, the Review itself made a number of interim recommendations for changes to the structure of police pay and allowances. These recommendations have been progressing through the statutory negotiating machinery.
26. Third, Lord Hutton of Furness presented the second and final report of the Independent Public Services Pension Commission.<sup>1</sup> In the 2011 Budget, the government accepted key recommendations of the Commission, including rises in the normal pension age for many groups, including the police, increased employee contributions to public pension schemes, a shift to career-average (CARE) rather than final salary as the basis of calculating retirement benefits, and the preservation of accrued benefits under existing arrangements. Other issues, such as transition periods and prospective accrual rates, are under negotiation.
27. Only the first of these is taken into account in the ensuing analysis of this report, since the other recommendations continue to be under negotiation.
28. The analysis in this document proceeds as follows. First, key results from the first report using ASHE are checked using the 2010 data in order to verify that the underlying analysis of pay comparisons is still pertinent. The next section shows that the 2010 data confirm the position of police officers and staff in the pay structure (with a brief mention of the provisional 2011 data). This section also contains a brief discussion of likely changes in this position when looking forward.

## 2.3 The position of police in the pay distribution in 2010 and 2011

29. I next verify whether some of the key descriptive findings concerning the position of the police in the pay distribution until 2009 in my previous report remain true for the latest Annual Survey of Hours and Earnings (ASHE) for 2010 and the provisional results for 2011. Without replicating the whole analysis of ASHE in the first report, some key findings from the latest available ASHE are presented here.
30. The primary finding from the present report is that police officers remain at a similar point in the earnings distribution to that of the earlier analysis. Table 1 presents some summary findings, comparing the full time earnings of police officers (constables and sergeants<sup>2</sup>) to average earnings for the workforce as a whole.

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<sup>1</sup> HM Treasury (2011) *Independent Public Sector Pensions Commission: Final Report*, March: [http://cdn.hm-treasury.gov.uk/hutton\\_final\\_100311.pdf](http://cdn.hm-treasury.gov.uk/hutton_final_100311.pdf)

<sup>2</sup> Standard Occupational Classification (SOC) 4-digit code 3312 in the ASHE data.

<b>Table 1: Pay of police relative to other occupations and male-female comparisons, 2010</b>				
<b>Men</b>	<b>weekly</b>		<b>annual basis</b>	
	<b>Police</b>	<b>All occupations</b>	<b>Police</b>	<b>All occupations</b>
Police mean	£779.9	£653.3	£40,549	£35,814
Police median	£753.2	£538.2	£40,520	£28,091
% change mean 2009/10	1.3%	1.6%	0.8%	0.5%
% change median 2009/10	1.3%	1.4%	0.6%	-0.6%
<b>Women</b>	<b>weekly</b>		<b>annual basis</b>	
	<b>Police</b>	<b>All occupations</b>	<b>Police</b>	<b>All occupations</b>
Police mean	£682.6	£513.1	£35,102	£26,467
Police median	£669	£439	£34,792	£22,490
% change mean 2009/10	1.4%	1.4%	1.7%	1.9%
% change median 2009/10	3.1%	2.4%	1.9%	1.7%
<b>Difference between police pay and average pay (%)</b>		<b>Difference between male pay and female pay (%)</b>		
<b>Men</b>				
Police mean	+19%	Police mean		+14%
Police median	+40%	Police median		+13%
<b>Women</b>				
Police mean	+33%	All occupations mean		+27%
Police median	+52%	All occupations median		+23%

*Source: ASHE 2010: tables 14.1a, 14.7a*

31. First, Table 1 reveals that the average weekly gross pay of a male full time police officer (constable and sergeant) was just below £780 in 2010 and just over £40,000 on an annual basis.<sup>3</sup> Median earnings (that is, the earnings of a person at the 50th percentile of the pay distribution) for police officers is just below the mean. This represented a small nominal (money) increase on pay on a weekly basis since 2009, and an even smaller increase on annual pay (see footnote 3). For women, mean weekly police pay is just below £36,000 with a significantly lower median level.
32. Second, average weekly gross pay of a female full time police officer (constable and sergeant) was 12-13% below that of a male police officer but grew slightly faster than that of a male police officer between 2009 and 2010, whether on a weekly or annual basis, thereby reducing the differential from the year before. This pay differential between male and female officers, while significant, is much lower than the pay gap between male and female workers across occupations as a whole, where the pay gap is around 25% (averaging across a weekly and an annual basis)
33. Third, a male police officer in these ranks on average earned 19% more than the average across all occupations at the mean and 40% more at the median. The reason that the median ratio is higher than the mean is because the pay of police officers is closer to a normal distribution whereas the distribution of pay across occupations is heavily skewed.<sup>4</sup> For female police

3 Note that the reported annual pay in ASHE comes from a separate table and is not exactly 52 times weekly pay. Averages will weight slightly differently on a weekly and annual basis, which explains why the growth figures on pay are different between the weekly and annual figures.

4 For the non-technical, the distribution of police pay is shaped like a traditional police man's helmet; the distribution of pay across occupations as a whole is shaped more like a racing cyclist's helmet, with the cyclist facing to the left.

officers, the pay differential relative to the average across all occupations is even higher, at around 33% at the mean and 52% at the median.

34. Weekly pay for male police officers grew slightly more slowly between 2009 and 2010 than for the economy as a whole, although annual earnings grew at a slightly faster rate. The context is that private sector earnings growth recovered from the post-‘credit crunch’ slump whereas other public sector occupations entered a period of freezes in nominal pay rates. Police officers began their two-year pay freeze in September 2010. Given that police overtime earnings also fell between 2009 and 2010<sup>5</sup> (overtime pay is incorporated in the figures of earnings in Table 1) and falls in overtime are likely to continue as police forces look for ways of reducing budgets, it is likely that police pay in the future may fall back slightly in the overall pay distribution; not enough, however, to suggest that the police position in the pay distribution has altered radically.
35. Provisional figures for 2011, released in the Annual Survey of Hours and Earnings just as this report was compiled, do not suggest any major change to these conclusions. Weekly pay for male full-time police officers in 2011 stood at £782.9 (mean) and £769.0 (median); increases since 2010 of 1.4% and 2.4% respectively. Average earnings among all full-time male employees stood at £659.3 (mean) and £538.5 (median); increases of 0.9% and 0.2% respectively. At face value (and allowing for the provisional nature of these figures), pay of male police officers therefore rose by a greater nominal percentage change than average earnings as a whole. By way of comparison, the change in average earnings for some other key public sector comparators over the same period were: fire service officers (-0.8%), prison officers (-0.3%), nurses (+1.4%), paramedics (+2.5%) and secondary school teachers (+0.1%).
36. For full-time female police officers, the figures for 2011 are: at the mean, weekly earnings were £693.1, an increase of 1.5%, and at the median £687.2, an increase of 2.5%. Comparable average earnings in the whole economy were £521.8 at the mean, an increase of 1.6%, and, at the median, £445.1, an increase of 1.4%. For other public sector occupations, the percentage changes at the mean were: fire service officers (-0.7%), prison service officers (+0.6%), nurses (+0.1%), paramedics (+2.4%) and secondary school teachers (+2.1%). The 2011 ASHE release also makes some minor changes to the 2010 earnings figures used elsewhere in this report, but again not in such a way as to alter any of the main conclusions.
37. What occupations pay earnings that are comparable to police in these ranks? Figures 1 and 2 look at earnings in comparable occupations, for male and female officers respectively, again reverting to the 2010 data. ‘Comparable’ here, as in my previous report, is used in two ways: first, by looking at occupations in the ASHE data which pay average earnings at a very similar level to those of the police in the ranks of constable and sergeant; second, by looking at other public sector occupations which might, in the public eye, be seen as comparable occupations, such as paramedics and firefighters. The comparators differ slightly between male and female officers because of the different occupational compositions of both groups.
38. The first set of comparator occupations, on the left side of the Figures, are those that, in terms of median earnings, bracket police officer pay (here, averaged across both full time and part time workers). It can be seen that, both for male and female officers, comparator occupations in terms of weekly gross pay are typically professional occupations in the public sector such as school teachers, school inspectors and health managers and, in the private sector, occupations such as quantity surveyors, accountants, middle managers and veterinarians. The second set of comparator occupations, on the right hand side of the Figures, are the median pay levels of occupations which comprise some other emergency and uniformed public sector services for which ASHE data are available: firefighters, nurses and paramedics, and prison and probation officers. Police officers earn a significant premium, on average, over those latter occupations.
39. Finally, Figure 3 looks at the median pay of police officers and sergeants in 2010 relative to some other occupations covered by Review Body arrangements. Amongst these occupations, average police pay is again somewhat higher than most, with a few exceptions; indeed

<sup>5</sup> Police overtime among fell by an average of just under 2 hours between 1998 and 2010, according to ASHE data, whereas overtime hours among other occupations which reported paid overtime if anything increased slightly.

considerably higher than occupations such as prison service officers, fire service officers and nurses.

40. This Figure should not, however, be interpreted as suggesting that Review Body recommendations have deliberately kept the pay growth of their remit occupations below those obtained by the police; indeed, the analysis in my first report suggested that over time, the pay uplifts of most Review Body groups had been comparable to those obtained by the police through their own negotiating machinery. Only in the last two or three years has the pay of the armed forces (also covered by a Review Body but not in the ASHE data set) and the police tended to rise somewhat faster than occupations in, say, health, education and the prison service. Moreover, some members of remit groups covered by Review Bodies (for example, doctors and senior staff) earn considerably more than the police. Rather, the analysis suggests that the premium attached to police pay over and above that a representative group of Review Body occupations precedes the extension of Review Body coverage during the last two decades.

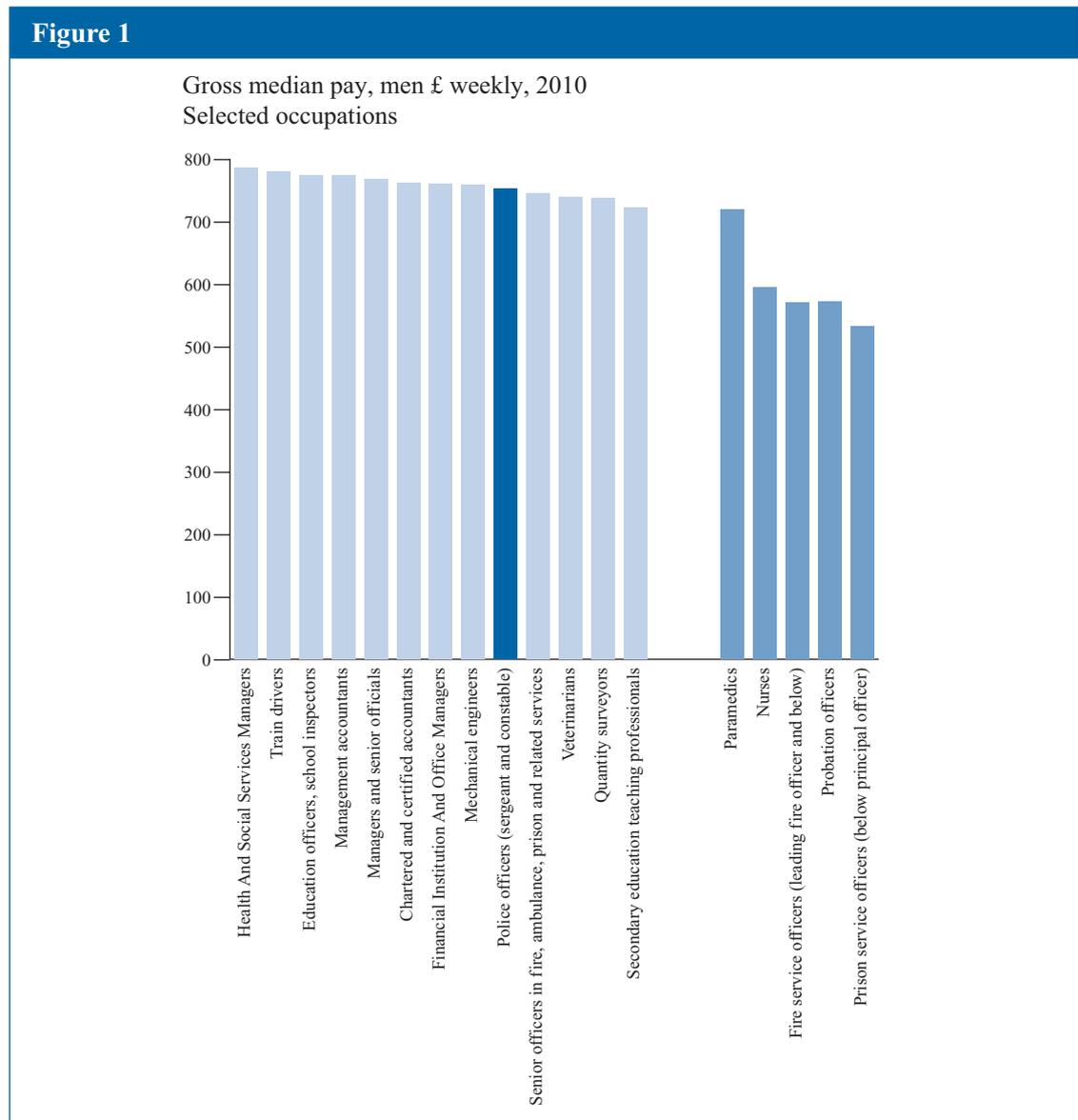
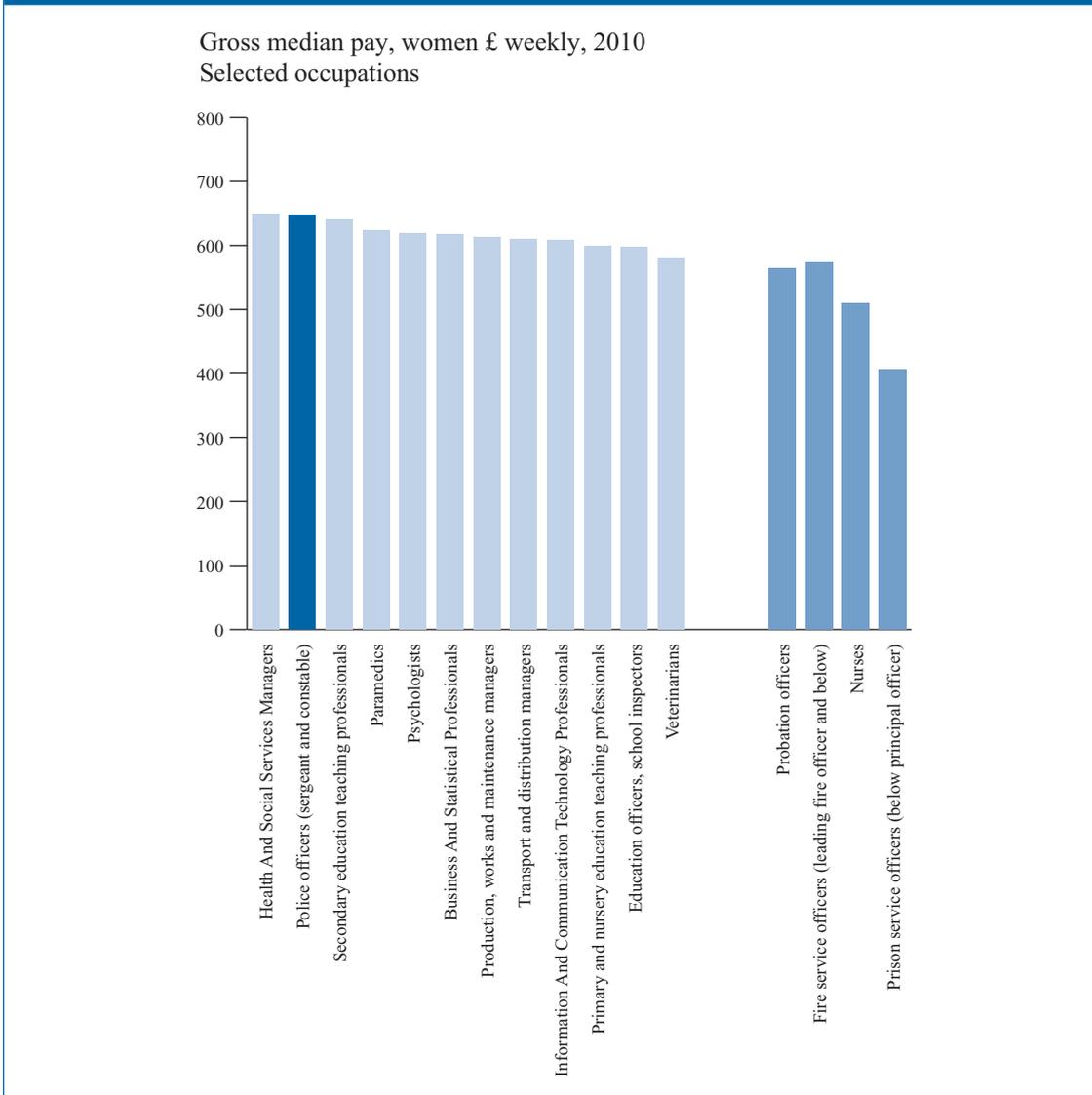
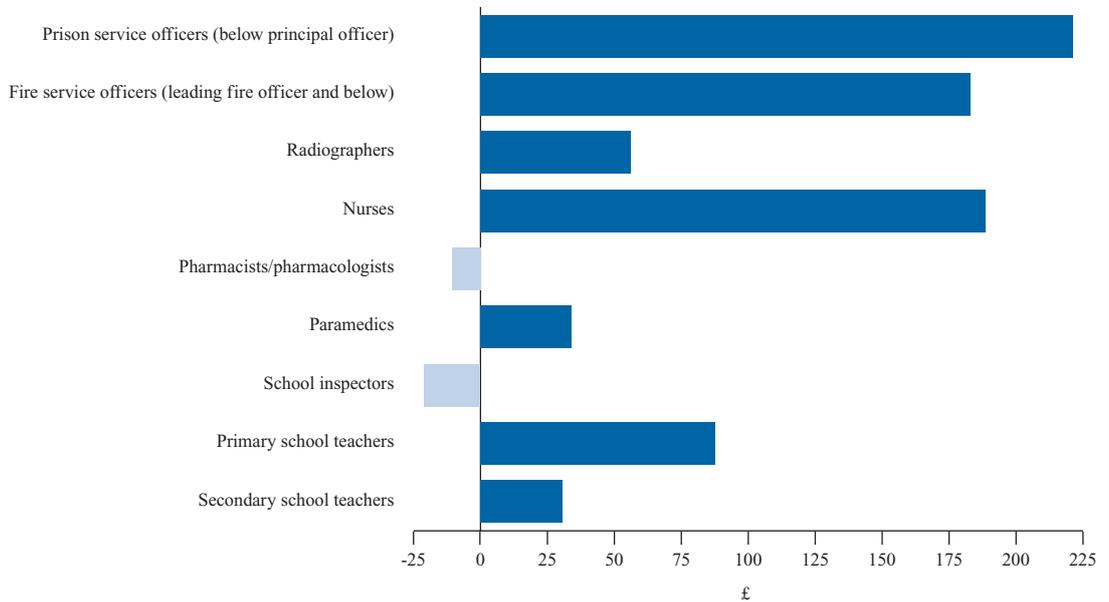


Figure 2



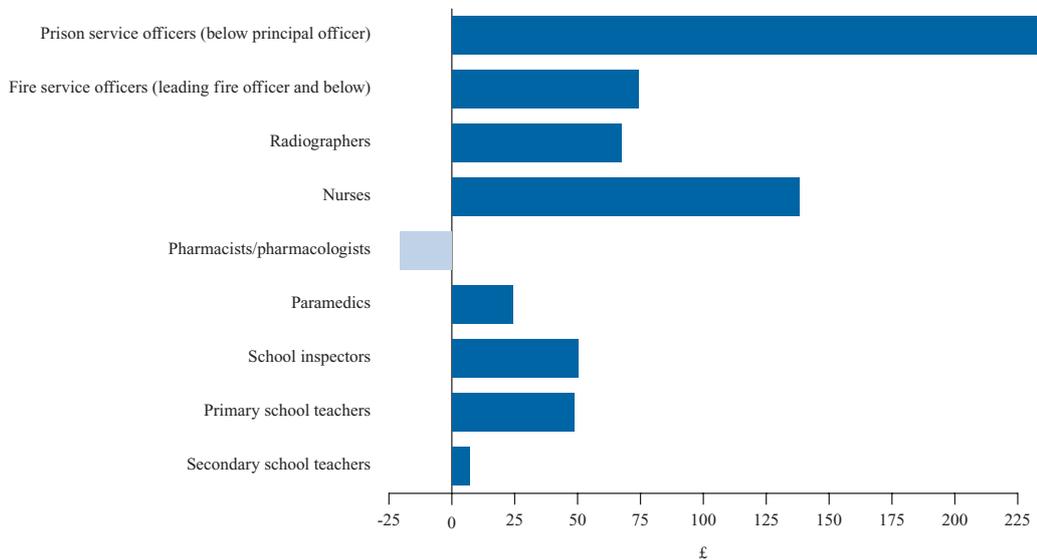
**Figure 3A**

Difference between median pay of police (sergeants and constables) and selected Review Body occupations  
Men: £ weekly 2010



**Figure 3B**

Difference between median pay of police (sergeants and constables) and selected Review Body occupations  
Review Body occupations  
Women: £ weekly 2010



## 2.4 Looking forward

41. The Autumn Statement on 29 November 2011 announced further caps on public sector pay increases, extending into the financial years 2013/14 and 2014/15. Moreover, Review Bodies which cover several public sector occupations were invited to examine the scope for greater local pay flexibility in their sectors, with a remit to respond by mid-2012. It therefore seems likely that police pay will grow more slowly than it has in the past, in common with other public sector occupations. Were private sector earnings to grow at their long-run trend of 2½ to 3 per cent annually, this would suggest that the police, in common with other public sector groups, would find their pay levels slipping slightly in the overall pay distribution. However, the projections of the Office for Budget Responsibility concerning slow prospective growth in the UK economy as a whole imply that private sector earnings growth, too, will be below trend – not just because of low pay settlements but also because ‘pay drift’ (such as payment of overtime premia) will remain weak. Therefore we are unlikely on baseline forecasts to see major changes in pay structure in the next few years which will have a major external impact on the positioning of police pay in the overall pay distribution. This analysis is of course predicated on the assumption that some of the major downside risks in the world economic situation (and the Eurozone in particular) are not realised.

### **3. The appropriate level of pay for police officers: a market test**

#### **3.1 Introductory comments**

42. In the introduction to this analysis, I suggested that a key test as to whether police officers' pay was in general set at an appropriate level hinged on the capacity of police forces to recruit and retain staff of an appropriate quality. This section therefore considers the ways in which police officers are recruited and retained: both as a description of the processes themselves and an assessment of whether such processes provide a sufficient flow of police officers of suitable quality. I use these data to seek evidence as to whether some or all police forces face recruitment and retention issues (which would suggest that pay should, if anything, be increased) or whether the net flow of potential officers of adequate quality so exceeds the employment of police officers as to warrant a further reconsideration of the level and structure of police pay.

#### **3.2 Recruitment: key issues**

43. Responsibility for recruitment of police officers lies with individual police forces. Traditionally, police forces had a wide degree of discretion in both hiring practices and in the type of recruit selected. The basic entry requirements are very general. They include that applicants should be aged at least 18, be a national of an EU Member State, Norway, Iceland or Liechtenstein or have leave to enter or remain in the United Kingdom for an indefinite period, be of good character (effectively, only minor offences can be waived) and be physically fit and healthy. Some forces may, and probably do, impose criteria such as requiring officers to have a full driving licence (or be in the process of applying), on top of these core criteria, so long as they are non-discriminatory criteria. Not surprisingly, given these rather general terms, there is no shortage of applicants for the police force.
44. Since the early 2000s, however, recruitment criteria have changed in several important respects. The most crucial change is that applicants to the various police forces have to achieve a nationally-assessed standard of competency to be considered for a police officer position. The framework for assessing competency has involved breaking police officer and staff jobs down into specified roles, profiling those roles, and then constructing a series of 'behavioural competencies' which form the basis of a national testing framework for police officers. Candidates, within this framework, must demonstrate through a mixture of written and interactive exercises, tests of numerical and verbal reasoning and a structured interview, that they satisfy these criteria to a standard. The standard required by successful candidates has varied in this competency-testing framework between 2000 and the present time, with somewhat tougher standards in place between 2005 and 2007. The tests can be administered locally by the police force or nationally by the current body responsible for such tests: the National Policing Improvement Agency (NPIA).
45. Conditional on candidates achieving the competency threshold, they are then eligible for appointment to a position in a police force. However, there is a high proportion of candidates which achieves this competency standard (currently 80% of candidates submitted by police forces are successful) and so police forces have the opportunity to further select among the range of eligible candidates above the competency threshold, either by ranking successful applicants by their individual test scores and selecting the highest, or by other criteria (such as personal interview, additional educational qualifications, previous experience in the police service, and so on). Since putting candidates in for the assessment is costly to police forces, forces face a trade-off between the costs of sending many candidates for assessment, and then having greater choice from among successful potential recruits, or of limiting numbers

submitted for assessment. Police forces can also recruit from candidates who have been sent by other forces for assessment.

46. The recruitment process therefore has several stages. There are various points in the process at which it should be possible to judge whether recruits were sufficiently numerous and of adequate quality.
- i The first stage is to examine the evidence on police vacancies, and to judge in particular whether there is evidence of vacancies that are hard-to-fill. Vacancy data would be used as *prima facie* evidence of recruitment sufficiency or shortages in the setting of a public sector occupation covered by a Review Body, such as NHS occupations. As we shall see, however, such data are poor or non-existent for the police service.
  - ii The second stage at which to judge the sufficiency of appropriate recruits is by the volume of applicants for police officer positions. At this stage there is an initial sift of applicants by police forces to select suitable candidates to be sent forward to the national test of competency; we can therefore investigate whether some police forces find enough applicants judged to be of sufficient quality to submit for national assessment.
  - iii The third stage is to examine the adequacy and sufficiency of candidates who are successful in achieving the national test of competency threshold. Clearly if there were not enough candidates achieving this standard in certain parts of the country, this could constitute evidence of a shortage of recruits of adequate quality.
  - iv The fourth stage would be if individual police forces were to argue that the ‘competency threshold’ was, as its name suggests, a *minimum* standard of ‘quality’, but that not enough candidates that achieved this threshold in fact achieved the standard of ‘quality’ required by that police force. This would involve a defining ‘quality’ at a different level from that achieved by candidates who fulfil the competency threshold. And, coming full circle, such an outcome might in turn be reflected in a police force being unable to fill all its vacant positions to an adequate standard.
47. In each of the next sub-sections, I examine such evidence as is available for each of these stages of the recruitment process in order to see whether, given existing contractual terms and pay rates, any or all police forces face difficulties in recruiting police officers of a sufficient quality. Failure to find such evidence would suggest that current contractual terms and pay rates are more than sufficient to deliver an appropriate police force across the country. An implication which immediately follows is that, in times of economic stringency, terms and conditions need only be sufficient to ensure a police service of the appropriate quality, and not such as to supply an excess number of potential recruits of an adequate standard.

### ***Stage 1: Vacancy data***

48. The concept of a ‘vacancy’ is an important one in assessing the extent of labour market recruitment and retention pressures. However there are several competing definitions that are utilised in different labour market settings. In the most general formulation (often used by trades unions and staff associations), ‘vacancies’ are defined as establishment positions that are unfilled. However, if the employer is making no effort to fill a position (either because of reorganisation or downsizing of workforces), there is no vacant position to fill. Hence, a more natural measure of ‘vacancy’ is a posted vacancy – that is a position that is advertised by an employer seeking an employee. However, vacancies can be posted after or when an employee leaves without necessarily implying that the employer is facing a recruitment difficulty, simply due to the time taken to advertise, interview and appoint a replacement; moreover some employers invite applications (for example, online) without indicating any specific vacancy or indeed without any intention to recruit in the short term, thereby inviting a bank of potential employees for the future. Finally, there are posted vacancies which have remained open for a certain duration, which might be defined as ‘hard-to-fill’ vacancies. This is the approach to examining recruitment pressures used in the NHS, where the key published data that act as

indicators of recruitment pressures are vacancies that have been open for three months or more, by Trust.<sup>6</sup>

49. As with the NHS, recruitment to police forces is decentralised. Unlike the NHS, however, which has until very recently published vacancy data for individual NHS Trusts, there is no national framework for publishing official police vacancies.<sup>7</sup> This is a major statistical omission if we are to allow national workforce planning in the police service on a coherent basis. As part of this Review, we therefore asked individual police forces to provide data on vacancies, on applications, and on vacancies filled, whether by new recruits or transfers from other forces, for the years 2007/08 to 2010/11. Twenty four forces out of 43 in England and Wales responded, of which 20 were able to provide vacancy data (including zeroes).
50. Unfortunately, these data exhibit the wide diversity of recruitment accounting practices in place across police forces and are not usable for a statistical analysis. Some data are consistent with a recruitment procedure which posts vacancies, allows an unlimited number of applicants, and then fills a number of positions (which may or may not exceed the number of posted vacancies in a given time period). For example, Northamptonshire Police reported to the Review that in 2007/08, they posted 86 vacancies for police constables, obtained 749 applications, and ultimately appointed (after the various tests and competency procedures), 104 new entrants and 27 transfers from other forces as constables, with comparable relative figures for other years. These numbers are singled out because they contain some internal coherency, and several other forces provided comparable statistics. Generally, in such forces, the number of applicants exceeds the number of vacancies by a ratio of ten to one; and often by a considerably greater margin.
51. Other forces produced rounded numbers of applicants which suggest that they employed cut-off procedures in determining applicant numbers (see the next sub-section). However some forces reported posting zero vacancies despite hiring significant numbers (although these hires may already be among previous applicants who have since been through the national recruitment system). More confusingly, some forces report positive number of vacancies coupled with zero applicants or zero recruits, neither of which are consistent outcomes given the market for recruits to the police service. Some such forces reported that they are therefore describing the difference between officers in post and ‘establishment’ which, as I suggested previously, is not an appropriate measure of a ‘vacancy’.
52. I am led to conclude that, unfortunately, vacancy data in the police service are mostly a poor measure of labour market pressure in the labour market. Insofar as the data for some forces have an internal coherency, the number of applicants far exceeds the available positions although, of course, not all these applicants will prove to be competent in the national testing framework. A recommendation stemming from this analysis is that police forces should put their vacancy and recruitment data on a consistent and coherent basis, and that such data should be publicly available in a national website (whether as a recruiting website or an information centre analogous to the NHS Information Centre).

### ***Stage 2: Application data to individual police forces***

53. A second source of data on potential recruitment issues concerns the level of applications, and characteristics of applicants, to individual police forces. As a reminder of my previous description; a police force will normally screen out a number of applicants who fail basic standards, before submitting a sub-set of applicants to the national competency test, which will

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6 See <http://www.ic.nhs.uk/statistics-and-data-collections/workforce/nhs-and-gp-vacancies> for data by NHS Trust. The NHS Information Centre has also published indicators of total vacancies by NHS Trust. Currently, however, publication of NHS vacancies is suspended given resource constraints and the absence of large numbers of vacancies in the current economic climate.

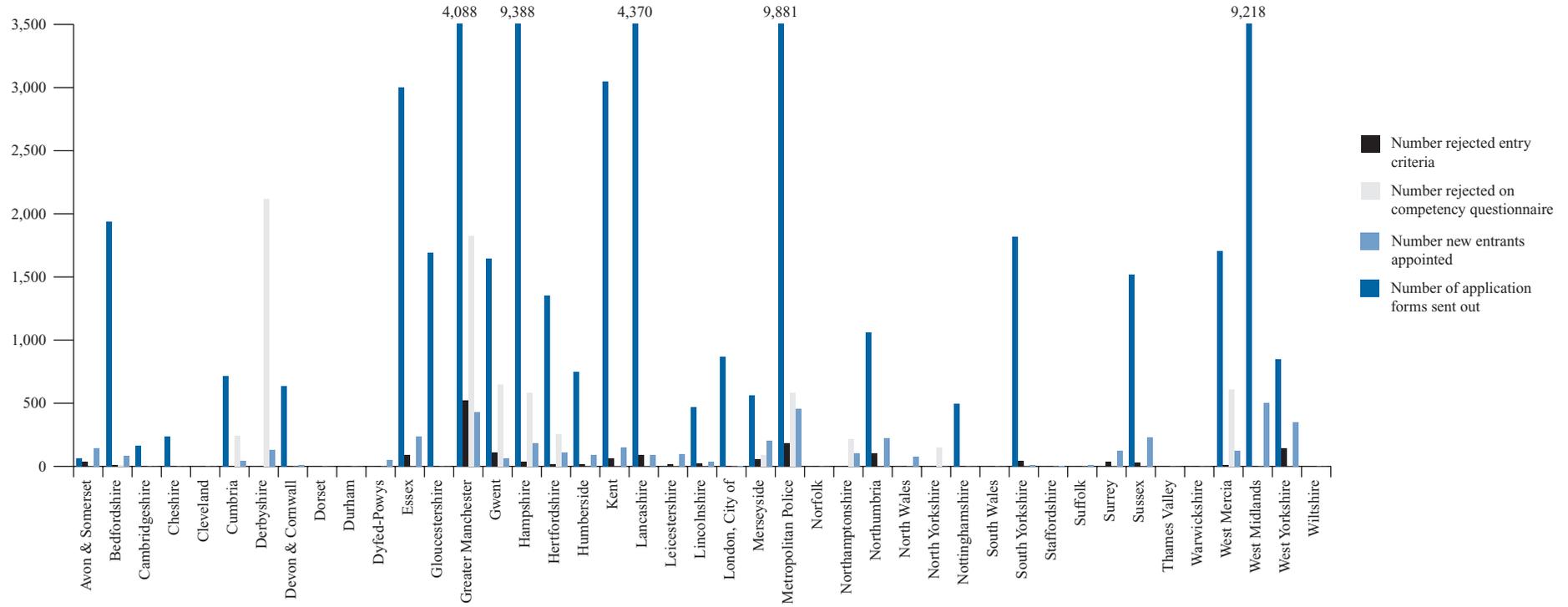
7 There are specialist police recruitment websites such as <http://www.police-recruitment.co.uk/> and [http://www.police-jobs.co.uk/content\\_static/home.asp](http://www.police-jobs.co.uk/content_static/home.asp) which also provides information of career opportunities for retired and leaving police officers. Such sites requires subscription or registration and do not provide direct overall figures of the levels of police vacancies. Similar sites exist in other areas, such as the NHS, independently of the collection of formal data by the NHS Information Centre.

in turn eliminate another sub-set of applicants, leaving a pool of successful candidates who can be accepted into employment as police officers.

54. Unfortunately, applications data to police forces are also of limited value in assessing recruitment issues. At a most basic level, data are collected at a national level on the number of applications forms sent out. For example, in 2007/08, police forces sent out a minimum of 61,456 application forms (Home Office data return ADR611) although some police forces were unable to provide the figures for their own forces. This is the most basic, but probably least useful, measure of applications. For those years for which data are available from ADR611, we find that roughly one quarter of forms are completed and submitted by would-be applicants. It appears that some forces simply allow unlimited numbers of application form to be sent, and submitted, whereas some forces place a limit on the number of applications to be processed (for example, a maximum of 500 or 1,000 potential applicants). Other forces requires applicants not just to submit a form but also to attend an ‘open day’ or pre-admission course before formally applying, so that there are differential ‘hurdles’ placed in submitting an application to a police force. At this point, a further sift is carried out of applications – for example, ruling out some who are ineligible on basic criteria, but also possibly using other basic tests of reasoning or physical skills – before a sub-set of applicants are told that they can pursue their application further with a view to satisfying the national competency threshold assessment.
55. The difficulties in using these data across police forces to infer anything about recruitment issues is apparent from Figure 4. This depicts official returns from police forces on number of applications sent out, numbers of actual applicants rejected by entry criteria (i.e. in the initial sift) and by the national competency test, and the actual number of new recruits. The figures for the Metropolitan Police Service give a fair reflection of these proportions, showing the vast number of expressions of interest in joining the police service (although only a fraction of these will ultimately formally apply, as suggested above), the fairly small numbers immediately rejected in the initial sift, and the roughly equal numbers of those submitted to the national assessment who failed the competency threshold and those who were ultimately hired.
56. It will be noticed from Figure 4 that strategies towards recruitment vary widely across police forces. Some forces send out very large numbers of application forms on a persistent basis (such as Hampshire Police) whereas others mount recruitment drives that will induce large year-on-year variations in applications. In general, the number of application forms sent, and subsequently considered, by individual police forces vary widely, and, not surprisingly perhaps, some forces are unable to provide detailed figures for several stages of the process. It seems, for example, quite arbitrary simply to ration the number of applicants (such as a maximum of 500 or 1,000 in a calendar year); that some forces appear to do so strongly suggests either that there is no recruitment ‘problem’ at current pay levels – indeed rather the reverse, and/or that the initial requirements are in fact far too unspecific or general to allow any serious sifting in a search process designed to seek appropriate potential police recruits in the area.
57. Given that a part of the recruitment process (the national assessment of competency) is organised on a standardised and national basis, it is therefore surprising that aspects of the recruitment process are not organised on a basis such as to reduce both the sheer volume of applications (many of whom never get close to satisfying the criteria for being a police officer) and to provide a consistent and standardised application procedure. The process by which individual police forces seek new recruits and provide data on the recruit procedure to the Home Office should be reconsidered. Specifically, I would recommend that police force returns on establishment, on vacancies, on officer and police staff applications received and vetted, on officer candidates submitted to the national assessment, and on establishment joiners and leavers, should be provided on a standardised basis.

Figure 4

Application forms, rejection at entry and at competence test, and new recruits, by police force in England and Wales, 2007-08



### 3.3 Stage 3: The national competency threshold

58. The most promising stage at which to analyse the adequacy of the supply of recruits to the police force is when candidates are submitted to the national recruitment assessment process. At this stage, we can find out whether a sufficient number of candidates are successful in achieving the national standard of required competence to be a police officer. This process of national assessment is currently administered by the National Policing Improvement Agency (NPIA), and was described briefly in the introduction to this section and elsewhere in the main report in more detail. This stage of the recruitment process is important to the analysis for two reasons. First, the set of tests and assignments are designed to ensure an objective minimum standard of competency in variety of tasks that are seen as central to the role of being a police officer.<sup>8</sup> Second, NPIA have collected data in a consistent manner since the introduction of the tests on a compulsory basis for police recruits in the mid-2000s, thereby allowing a robust analysis of this stage of the recruitment process. NPIA have also, most helpfully, made this data available to this Review.
59. Pass rates for applicants submitted to the national assessment process for police recruits vary from year to year, ranging from just under 50% in the early years of the national assessment (2006 and 2007) through to over 80% in the most recent year. The rise in success rates may arise from better sifting of potential candidates at the force level, or through greater experience in successful completion of these tests (for example online police recruitment sites offer coaching in successfully attaining the competency thresholds, and over time we would expect greater information to be transmitted to more motivated candidates on how to achieve the required standards). Another contributory factor may be that the thresholds for achieving satisfactory pass marks in various parts of the assessment framework were at their highest between June 2005 and October 2007 due to a backlog of successful candidates.<sup>9</sup>
60. NPIA have given the Review team a large amount of data on the characteristics of applicants – both successful and unsuccessful – for national assessment, by police force, for the years 2006 through to 2011. A question that can be answered immediately from these data is whether a sufficient supply of successful candidates was available to recruit into the police officer ranks in this period. Between 2006 and 2011, NPIA data suggest that police forces put forward just over 65,000 candidates for national assessment. Of these, just over 39,400 were successful in gaining the competency threshold: a pass rate of 61%. Over the same period, from Home Office data, police forces recruited just over 38,000 police officers, although some of these hires in the early part of the period may have been assessed by some procedure which preceded the national roll-out of this proposal and of course some successful candidates may not yet have found a position by the end of this time period.
61. Taken at face value (and allowing for the fact that some further successful candidates went into the British Transport Police and are not included in our data), these facts nevertheless broadly suggest that there were enough successful applicants to fill available positions in the police force. Since submitting candidates for assessment incurs costs for police forces, we should not expect to see large numbers of successful candidates who do not ultimately find a police job; this would be a waste of resources and time for all the parties concerned. However, given the sometimes arbitrary nature of rationing applicants in initial recruitment procedures described in the previous section, it is probable that forces could find a larger number of candidates to submit for assessment were recruitment pressures to require them to do so. The ensuing analysis here suggests therefore that some forces might reconsider *who* they put up for these tests.

<sup>8</sup> Certain other specialised functions, such as dealing with public order, and specialist tasks such as dog handling, are not included in these tests.

<sup>9</sup> A successful candidate can apply to other police forces if rejected by the police force to which he or she originally applied. The candidate is given his or her individual test score and can continue to apply for positions in a police force for up to a year (exceptionally two years) after success in achieving the competency threshold before having to retake the tests. Whether the pass scores in certain competencies are currently set too low are discussed in Chapter 3 of this Review.

62. Table 2 indicates that some police forces recruited rather more police officers than the number they put forward who then were successful candidates in achieving the competency threshold. Although there is no consistent pattern (indeed a couple of police forces report taking no recruits over the whole period, which seems unlikely), in general the large metropolitan areas tended to have large numbers of recruits, which on occasion were more numerous than the successful candidates that they themselves put forward. Jobs in the metropolitan area police forces may be more attractive than policing in county forces on the periphery; moreover, in the case of the Metropolitan Police, there are additional payments to police officers. This raises an issue of the incidence of the costs of the assessment scheme across police forces; a question which is pursued further elsewhere in this Review.

<b>Police Force</b>	<b>(1) Total candidates</b>	<b>(2) Total Passes</b>	<b>(3) Pass rate (%)</b>	<b>(4) New recruits</b>	<b>(5) New recruits as % of pass rate</b>
Metropolitan Police	17,031	11,463	0.67	11,534	1.01
Avon & Somerset	1,158	756	0.65	500	0.66
Bedfordshire	422	312	0.74	319	1.02
Cambridgeshire	564	351	0.62	273	0.78
Cheshire	829	492	0.59	577	1.17
City of London	309	246	0.80	267	1.09
Cleveland	599	375	0.63	67	0.18
Cumbria	583	339	0.58	234	0.69
Derbyshire	700	466	0.67	405	0.87
Devon & Cornwall	998	593	0.59	640	1.08
Dorset	433	304	0.70	0	0.00
Durham	417	239	0.57	190	0.79
Dyfed Powys	490	332	0.68	227	0.68
Essex	2,175	1,030	0.47	1,394	1.35
Gloucestershire	609	326	0.54	227	0.70
Greater Manchester Police	5,313	2,251	0.42	2,354	1.05
Gwent	800	525	0.66	212	0.40
Hampshire	2,340	1,385	0.59	1,378	0.99
Hertfordshire	1,152	753	0.65	933	1.24
Humberside	428	160	0.37	394	2.46
Kent	1,875	1,155	0.62	828	0.72
Lancashire	1,405	784	0.56	668	0.85
Leicestershire	1,142	831	0.73	740	0.89
Lincolnshire	796	552	0.69	165	0.30
Merseyside	1,893	1,234	0.65	1,788	1.45
Norfolk	1,010	694	0.69	412	0.59
North Wales	422	290	0.69	378	1.30
North Yorkshire	547	282	0.52	0	0.00

**Table 2: NPIA candidates, Successful passes, Recruits, by police force, Cumulative totals 2006-11** *continued*

<b>Police Force</b>	<b>(1) Total candidates</b>	<b>(2) Total Passes</b>	<b>(3) Pass rate (%)</b>	<b>(4) New recruits</b>	<b>(5) New recruits as % of pass rate</b>
Northamptonshire	581	403	0.69	620	1.54
Northumbria	1,737	1,204	0.69	1,354	1.12
Nottinghamshire	840	596	0.71	455	0.76
South Wales	726	413	0.57	756	1.83
South Yorkshire	949	573	0.60	655	1.14
Staffordshire	361	200	0.55	303	1.52
Suffolk	418	224	0.54	136	0.61
Surrey	1,040	612	0.59	438	0.72
Sussex	1,652	974	0.59	864	0.89
Thames Valley	2,272	1,433	0.63	266	0.19
Warwickshire	218	114	0.52	200	1.75
West Mercia	970	678	0.70	597	0.88
West Midlands	5,291	2,495	0.47	1,932	0.77
West Yorkshire	1,391	712	0.51	2,393	3.36
Wiltshire	406	261	0.64	203	0.78
<b>Total or Average</b>	<b>65,292</b>	<b>39,412</b>	<b>0.61%</b>	<b>38,276</b>	<b>0.98%</b>

*Sources:* Columns (1), (2): NPIA data; column (4): ADR611 data, Home Office

63. It is interesting to see whether candidates with better background characteristics (for example, greater experience, especially in the police service) fared better in the tests. It is also useful to see whether outside opportunities play a part in determining the quality of applicants – specifically, whether areas in which outside earnings are higher generate a flow of less able candidates or characteristics with inferior characteristics to the police service than areas where outside earnings are relatively lower. A recruitment shortage might therefore arise if police forces in, or adjoining, high paying areas, found it difficult to attract sufficient suitable applicants to pass the competency threshold test. In my ensuing analysis of NPIA data, I therefore construct some measures of average earnings (in occupations other than the police) by police force area as an indicator of outside wage pressures. These data are discussed more fully in Section 5, where I consider the issue of regional pay.
64. Table 3 examines some of the characteristics of applicants put forward by police forces for national assessment in 2007/08 – a representative year in which there were a relatively large number of applicants and recruits to the police force. The table describes the average proportion of candidates with each characteristic submitted by each of the 37 police forces which submitted candidates that year and the maximum and minimum proportions of these characteristics by police force.
65. In this year, just under 80% of submitted applicants achieved the pass threshold in the national assessment. The highest pass rate achieved by a police force's candidates was over 90%; the lowest, just under two thirds of candidates. The most preponderant highest qualification level in schooling achieved by candidates was 'A' level or equivalent, at around 40% of candidates. However, around one third of candidates had qualifications to 'GCSE' level or less. One force submitted almost half its candidates with only GCSE qualifications; another, less than a quarter. Compared to an average rate of 28% with tertiary education, one force again submitted almost half its candidates with degree-level qualifications whereas one force submitted only 15% of candidates at this level of education.

66. The age range of candidates also differs across forces. The most common age range in the data for 2008 was between 21 and 25, with the next most common between 26 and 30. Indeed the average age of successful recruits from the national assessment process has risen steadily over the years, now being in the region of age 26 to 27; gone are the days when the majority of recruits to the police force had left school at age 18. Few candidates, however, were submitted over the age of 40.
67. Two other striking characteristics emerge: first that a third of candidates were female but that this ratio varied from as high as almost half candidates in one police force to as low as just over 21% in another; and the vast differences in candidates submitted across police forces who were reported as having had previous experience in the police (primarily either as a police special constable or PCSO). One force submitted candidates of whom over 70% had previous experience; at the other extreme, another police force submitted applicants with a ratio of less than 10% with previous experience.
68. Table 4 examines the relationship between the characteristics of candidates and the pass rate. The table uses statistical methods which allow for the impact of multiple factors in explaining differences in pass rates across police forces and across time. Thus the format of the data is as in Table 3: proportions of applicants with different characteristics are correlated with force level pass rates. The one variable which is not in the form of a ratio is the logarithmic transformation of the local weekly wage rate in the area of each police force; this last variable will be explained shortly.

<b>Table 3: Characteristics of applicants for national assessment, 2007/08</b>			
<b>Characteristic</b>	<b>Mean (%)</b>	<b>Maximum (%)</b>	<b>Minimum (%)</b>
Pass rate	79.7	92.4	66.5
% degree or postgrad	28.7	49.4	15.3
% 'A' level	41.4	52.8	25.3
% 'GCSE'	30.3	47.9	23.3
% no qualifications	2.2	8.1	0.0
% aged under 21	14.0	4.5	27.1
% aged 21-25	43.7	55.2	32.8
% aged 26-30	20.9	15.4	28.8
% aged 31-35	10.6	14.6	6.2
% aged 36-40	9.5	16.7	2.3
% aged 40 and over	4.1	6.9	2.2
% female	33.0	48.9	21.2
% previous police experience	27.6	71.1	9.3
Average wage in police force area by residence (£ weekly)	£580.20	£801.00	£480.11
Average wage in police force area by work location (£ weekly)	£557.10	£773.40	£471.16

*Notes: Maxima and minima only for those forces that submitted more than 10 candidates.*

<b>Table 4: Determinants of Average Success Rate in National Assessment, by Police Force 2006-11</b>										
<b>Dependent variable: % success rate of applicants</b>	<b>(1) OLS</b>		<b>(2) OLS</b>		<b>(3) OLS</b>		<b>(4) OLS</b>		<b>(5) Fixed effects</b>	
Year=2006	-0.31***	(0.03)	-0.32***	(0.02)	-0.31***	(0.02)	-0.31***	(0.02)	-0.35***	(0.04)
Year=2007	-0.33***	(0.03)	-0.34***	(0.02)	-0.33***	(0.02)	-0.33***	(0.02)	-0.34***	(0.02)
Year=2009	-0.10***	(0.02)	-0.08***	(0.02)	-0.09***	(0.02)	-0.09***	(0.02)	-0.08***	(0.03)
Year=2010	0.07**	(0.03)	0.06***	(0.02)	0.04*	(0.02)	0.04*	(0.02)	0.07**	(0.03)
Year=2011	0.08	(0.05)	0.09*	(0.05)	0.05	(0.05)	0.05	(0.05)	0.10*	(0.06)
% no qualifications	–		-0.21	(0.20)	-0.32	(0.20)	-0.32	(0.20)	-0.35	(0.25)
% GCSE only	–		-0.26***	(0.08)	-0.26***	(0.07)	-0.25***	(0.07)	-0.19**	(0.09)
% Graduate	–		-0.08	(0.07)	-0.07	(0.06)	-0.06	(0.06)	-0.06	(0.08)
% Postgraduate	–		-0.79	(0.49)	-0.79	(0.49)	-0.80	(0.49)	-0.98*	(0.55)
% aged 21 to 25	–		0.04	(0.09)	0.03	(0.09)	0.04	(0.09)	0.06	(0.10)
% aged 26 to 30	–		0.31***	(0.08)	0.32***	(0.08)	0.32***	(0.08)	0.34***	(0.09)
% aged 31 to 35	–		-0.25*	(0.14)	-0.24*	(0.14)	-0.24*	(0.14)	-0.38**	(0.16)
% aged 36 to 40	–		0.37***	(0.10)	0.37***	(0.10)	0.38***	(0.10)	0.36***	(0.11)
% aged 40 and over	–		-0.38*	(0.22)	-0.41*	(0.22)	-0.43*	(0.22)	-0.36	(0.26)
% female	–		0.47***	(0.08)	0.49***	(0.08)	0.49***	(0.08)	0.49***	(0.09)
% police experience	–		0.08**	(0.04)	0.07*	(0.04)	0.08*	(0.04)	0.10**	(0.05)
Number of applications as % of area employment	–		–		-0.07	(0.08)	-0.05	(0.08)	-0.05	(0.04)
Log(average full time wage in police force) (2007)	–		–		By residence area 0.16**	(0.06)	By work area 0.17***	(0.06)	By work area -0.38	(0.42)
Number of observations	184		184		184		184		184 (Groups=43)	
R <sup>2</sup>	0.6810		0.8072		0.8137		0.8175		0.7134	
F (.,.)	F(5,178)=76.01		F(16,167)=43.69		F(18, 165)=40.04		F(18, 165)=41.05		F(18,123)=40.77	

**Notes to Table 4:**

Each ‘% variable’ is the percentage of applications from each police force in each year with that characteristic, where that police force submitted applicants. The maximum number of cells (i.e. sample size) is  $43 \times 6 = 258$  but not all police forces submitted applicants in every year.

The first number in each cell is the coefficient on the explanatory variable. \*\*\*1% \*\*5% \*10% each indicate how confident we can be about the accuracy of the coefficient. (Statistically, it measures how confident we are about rejecting the ‘null hypothesis’ that there is no relationship i.e. ‘1%’ means we are 99% confident that we can reject that there is no relationship between the specific variable and the variable ‘% success rate’.) No asterisk means that we cannot be confident above 90% of there being a relationship – this is a standard statistical cut-off for a test of significance. The second number in each cell (in parentheses) is the standard error of the estimate.

‘Omitted’ or baseline categories are: Year = 2008, % of candidates with education up to ‘A’ level or equivalent, % aged under 21, % male, % no previous police experience. A constant (intercept) was also included in the regressions.

‘OLS’ is an Ordinary Least Squares Regression of the dependent variable (% of candidates successful from police force  $i$  at time  $t$ ) on the set of independent variables. ‘Fixed effects’ allows for the heterogeneity of police force policy in selecting candidates for the national assessment by measuring differences over time from the mean success rate of each police force’s candidates in the light of variations in candidate characteristics. This will capture unmeasured factors that might explain a police force’s selection policy in terms of candidates submitted to the national assessment process.

69. Column (1) analyses the year-by-year variation in the success rate. The coefficients are easy to interpret: so for example relative to the omitted or ‘control’ year, which is 2008, the pass rate in 2006 was 31% lower, 33% lower in 2007, and so on. The asterisks indicate that the statistical results are statistically significant – the more asterisks, the more confident we can be that the coefficient is robust (see the text box ‘Notes to Table 4’). Consequently, in the last year of 2011 when very few candidates were put forward, the success rate of candidates was 8% higher than the control year of 2008, but this result is not statistically robust. It will be seen from the subsequent columns (2) to (5) that, even when we control for the characteristics of candidates put forward, these coefficients on individual years do not vary much – another reason for thinking that we can trust these results on yearly success rates.
70. Column (2) introduces the characteristics of applicants into the picture – which may vary from year-to-year and force by force. So this column ‘explains’ the pass rate by force when we control for the ‘mix’ of candidates put forward by individual forces. The results suggest that candidates with no educational qualifications fare more poorly than the omitted or ‘control’ group (those with ‘A’ level or equivalent as their highest qualification) but that this factor is not significant, largely because there are few such candidates. However candidates with education only up to ‘GCSE’ level also fare more poorly – and this result is significant – suggesting a reduction in the pass rate of between 19 and 26% for such candidates relative to ‘A’ level educated candidates, depending on specification. Conversely, and perhaps surprisingly, graduates do not do better than ‘A’ level candidates, although generally this result is not significant. This may be because there is a considerable degree of selection among graduates who choose to go into the police force; it should also be borne in mind that graduates will typically be older than those with less educational qualifications, and that this result may interact with age effects on success rates.

71. Turning to age, therefore, this time the omitted or ‘control’ group is the youngest age group of aged below 21. Relative to this group, and controlling for education, the next age group (age 21 to 25) fare neither better nor worse in the assessment; however the subsequent age group (age 26 to 30) do considerably better with on average around a 30% higher probability of success. Thereafter, the pattern of age coefficients oscillates between positive and negative; the next age group (age 31 to 35) has a lower pass rate but the result is not very robust (a 10% level of statistical significance on average – again, see the explanatory box to the Table) – and thereafter numbers in the age categories are relatively small.
72. Continuing the discussion of column (2) and subsequent columns of Table 4, there are then two striking results. First, female applicants do much better in the assessment tests, with a 49% increased likelihood of success.<sup>10</sup> Second, those with previous experience do somewhat better in the assessment (an increased probability of success of around 7–10%). NPIA’s own analysis suggests that this success is typically associated with having had experience as a Special Constable.<sup>11</sup>
73. These results have important implications for police forces in terms of submission of candidates for assessment. For example, they suggest that requiring a minimum standard of ‘A’ levels would achieve a greater success rate in the absence of compensating factors (such as previous police experience), as would an applicant being in their mid-20s. Most crucially, they suggest that more female candidates should be put forward. These changes would likely increase the number of successful recruits within the existing application process. However, these results alone do not fully answer the question of whether other, labour market factors, might contribute to recruitment problems by limiting the number of willing candidates. This issue is addressed in columns (3) to (5).
74. These columns of Table 4 include two additional variables. The first is the number of applicants relative to total employment in a police force area. This is primarily a control variable and is not expected to have a significant impact given the large size of employment relative to the flow of applicants. It does not. The second variable is more pertinent. This is the average ‘outside’ wage in the police force area from which each police force submitted applicants – that is the average earnings level of *all* employees in the area – not simply the police. I constructed these earnings data by mapping data on average weekly earnings from the Annual Survey of Hours and Earnings (ASHE) for each county and unitary authority, weighted by employment, into police force areas. These data will be discussed more fully in Section 5 on regional pay in this report; however it should be noted here that there are two ‘mappings’ of local authority areas into police force areas: first by where ASHE respondents are reported to live (residence) and second by where they work. Although these data are illustrated in detail later in my report, it would not be surprising to note at this stage that the highest paid police areas by work are in the Metropolitan Police and City of London police forces, augmented by Surrey when we look at earnings by area of residence (since many people living in Surrey work in London), whereas the lowest paid police force areas include much of Wales, and Devon and Cornwall. The data on weekly earnings are converted into logarithms in the analysis of Table 4 in order to make the interpretation of the coefficient more straightforward, and are dated one year previously to each assessment year on the assumption that it is the wage at the time the candidate is considering a subsequent application to the police that is relevant.
75. In columns (3) and (4) using respectively weekly earnings by area of residence and work area, the coefficients are positive, suggesting that a 10% higher ‘outside’ wage would be associated with a 1.6% or 1.7% higher success rate among a force’s candidates. Since from Table 3, the highest ‘outside’ wage of a police force area is about two thirds higher than the lowest paying wage area, this would imply that the highest paying area would have a 10% higher rate of success among police applicants in the national assessment than the lowest paying area. If we believe, however, that the ‘outside’ wage is a good measure of alternative opportunities, this coefficient is the reverse of what might be expected – a police force in a low paying area

<sup>10</sup> Gratifyingly, this fraction exactly confirms a result issued by the NPIA using a slightly different methodology: see National Policing Improvement Agency (2010) *Annual Results Report 2008-09*, para 1.3.7,

<sup>11</sup> *Ibid*, para 1.3.8.

might attract a larger flow of more qualified candidates than a higher-paying area and we might therefore expect a negative coefficient on the ‘outside’ wage and assessment success rate by police force.

76. There are three reasons for being sceptical about the positive result in Table 4, however. First, it may be that differences in the ‘quality’ of candidates across high-paying and low-paying police areas are already reflected in the ‘mix’ of characteristics of applicants to the national assessment from individual police forces. However, an analysis of the relationship between ‘outside’ wage rates and the characteristics of applicants (for example, the percentage with a degree put forward by the local police force) suggests no clear associations in the data. Second, the measure of ‘outside’ wage calculated here does not control for the ‘job mix’ of occupations in the local area. In other words, one reason why average earnings are higher in London is the high cost of housing and other living costs, but in addition, London has a disproportionate fraction of high-paying professional occupations within its workforce. This would suggest that the measure of ‘outside wage’ should be refined by controls for occupational categories. However this requires further work and access to unpublished ASHE original data. The third reason for caution is contained in column (5), where we control for idiosyncratic differences in individual police forces in choosing which candidates to put forward for assessment (but assuming that these differences across police forces remain constant over time). Once this is done, the coefficient on local weekly earnings becomes insignificant (whether by work area, as cited here, or by residence).<sup>12</sup> This is the *only* result among all the measured characteristics which changes significantly once we control for these individual police force ‘fixed effects’.
77. This last result suggests that there is a high degree of variation in the initial assessment procedures of police forces – it may be, for example, that areas with low external wages are swamped by applications and that individual police forces use more *ad hoc* measures of rationing applicants, but there are also other possible explanations for these findings. Without additional tests and controls, we have to be cautious in interpreting this result on outside wage pressures – for the moment it is only safe to assert that there is no evidence of local average earnings affecting the quality of recruits once we control directly for recruit characteristics, and no evidence that measured recruit characteristics are affected by outside wage pressures. This may not be too surprising given the large number of applicants for police jobs in many police areas as described in previous sub-sections. Outside job opportunities probably play a major part in determining the number of initial applicants to police forces, but the initial recruitment strategies utilised by police forces are so varied, and in some cases quite *ad hoc*, that it is hard to see any clear relationship between differences in local labour market conditions and police recruitment.

### 3.4 Stage 4: Selection conditional on achieving the competency threshold

78. The final stage of recruitment is straightforward. A candidate who is successful in achieving the threshold of role competencies by passing the national assessment is eligible to join his or her local police force, or indeed another police force, for the next year (exceptionally, when there has been a backlog of successful candidates, two years). Each successful candidate is given a score in the test. Police force recruiters may therefore choose to rank eligible candidates by their score in excess of the pass mark, or by other criteria that are non-discriminatory (although increasing the fraction of ethnic minorities in police forces has been a priority). In my understanding, there are no national guidelines laid down for this stage of the recruitment process other than legal requirements and success in the national assessment. Consequently, recruit selection procedures may vary from police force to police force.
79. To consider whether there is a recruitment issue at this stage, when there is no evidence of recruitment issues at any other stage, we have to consider whether police forces are seeking other qualities in their recruits that are untested through the national assessment procedure. To put it another way, the national recruitment procedure establishes a set of *minimum* national

<sup>12</sup> It remains negative in column (5) at -0.38 but is not statistically robust; if we repeat the exercise by weekly wages in area of residence it is +0.31 but again insignificant.

conditions for a recruit to be accepted into the police force – the issue might remain of whether this raises the *average* standard of recruits to that required by senior officers in individual police forces.<sup>13</sup>

80. Such an assessment requires a judgement of ‘quality’ that is independent and over and above that provided by the national assessment process. But since this judgement may be subjective, and certainly varies across police forces, it is hard to ascertain whether this is a significant barrier to adequate recruitment. In the absence of any further evidence, it is not possible to pursue this issue further.

### 3.5 Retention

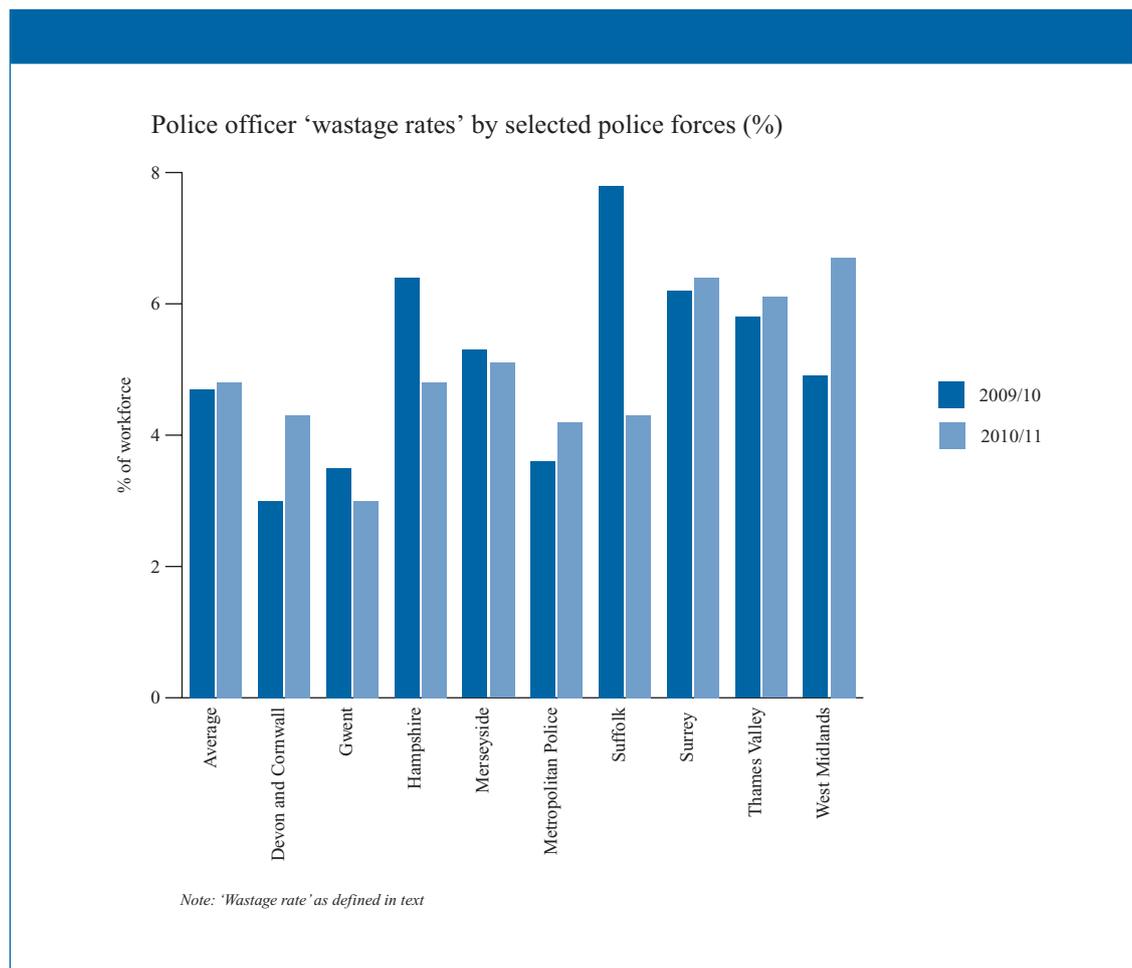
81. In contrast to the length of time spent in this report on evaluating recruitment, the issue of retention can be dealt with more easily. As noted by the Institute for Fiscal Studies Green Budget (2011),<sup>14</sup> using Labour Force Survey (LFS) data averaged between 2006 and 2009, police officers have one of the lowest rates of exit from public sector employment of any public sector professional group. Each year, roughly 1.7% of police officers exit into private sector employment, with another 1.3% exiting into other labour market states such as retirement. In comparison with the 1.7% of police officers exiting into private sector employment, annual rates of exit from other public sector occupations into private sector employment range from 7.8% in the armed forces through 4.0% for teachers, 2.7% for civil servants, to 2.1% for nurses. Private sector turnover rates are typically much higher, with annual exit rates of 10% or more not uncommon, even abstracting from traditional high turnover sectors such as catering and fast food outlets.
82. Data on retention rates for police staff are not available, but on the basis of comparisons with similar public sector occupations for clerical staff, turnover rates are likely to be somewhat higher than for police officers. This is also likely to be true for groups such as traffic wardens and community support officers; specialised occupations among police service staff are likely to have somewhat lower exit rates on average.
83. Exit rates from individual police forces are somewhat higher on average, but many of these exits involve transitions of officers *between* police forces rather than exits from the police service as a whole. Official published force data show that the overall ‘wastage rate’, defined as the fraction of police officers leaving a police force as a fraction of total police officers, averaged 4.7% between April 2009 and March 2010 and 4.8% between April 2010 and March 2011.<sup>15</sup> The lowest rate of wastage in 2009/10, at 3% was for Devon and Cornwall Police; interestingly the Metropolitan Police wastage rate was among the lowest at 3.6%, and also below average in 2009/10. The low figure for the Metropolitan Police might seem surprising, given the relative scope for higher paid outside opportunities, at least relative to other police forces, as discussed in the section of recruitment. However, since many exits are inter-force transfers, officers in the Metropolitan Police are likely to find moving to adjacent police forces less attractive, since such moves lose the additional allowances paid to police officers in the Metropolitan Police. The reverse is also true, with slightly higher losses of officers from forces in close proximity to London, indicating the greater financial returns to working for the Metropolitan Police for those living close to London.
84. Other than these factors, there is no discernible pattern in the variation of wastage rates across other police forces. Figure 5 illustrates this lack of a pattern for a small sample of police forces. Exit rates inevitably vary from year to year, especially among smaller forces, depending on the age distribution of police officers and other factors. Moreover, so long as leavers can be

13 To give a comparable example; most employers typically ‘require’ an upper second to offer graduates a place on a graduate-level training course. But many employers will typically require additional criteria – whether judged by further assessments or interview procedures – beyond evidence of that degree class. Sometimes, these criteria may be a ‘good’ upper second, or be judged on entirely different criteria. In certain circumstances, employers may even waive the upper second requirement where there are other attributes of the candidate (such as extensive work experience) because, unlike the national police assessment, it is not a national requirement.

14 Institute for Fiscal Studies (2011) *The Green Budget*, Chapter 7 ‘Public sector pay and pensions’, Table 7.7, p. 183.

15 Home Office (2010, 2011) *Statistical Bulletin: ‘Police Service Strength’*; London.

replaced by joiners of the required quality, levels of exit of this magnitude should not prove a major human resources issue.



### 3.6 Recruitment and retention: A summing-up of the evidence

85. This has been a long section of my report which has considered the issue of recruitment and retention of police officers. However, recruitment and retention are key issues – possibly the key issues – in determining whether police officer pay is set at an appropriate level in the labour market. The key findings from the discussion are as follows:
- i Police forces do not provide vacancy data, data on applications, and information of initial selection or sifting mechanisms on a consistent basis. Apart from the fact that it would be desirable for them to do so, this points to a large volume of potential applications relative to the demand for police officers. There is no shortage of potential recruits given the current rather general criteria for an initial application to be a police officer.
  - ii This suggests some scope for tightening the initial conditions for an application to be a police officer – for example, by raising the educational or experience qualifications. Given that this might choke off a number of applications, it would thereby allow police forces to provide better data. It would also increase the success rate of candidates submitted to the national assessment process. At the same time greater standardisation of initial recruitment procedures would be highly desirable.
  - iii The national assessment process is organised on a coherent basis with good data which have been utilised here in order to judge recruitment issues. Broadly speaking, enough successful candidates are passed through the process to satisfy recruitment targets. Given the variation in success rates across applicant characteristics, it would be fairly straightforward for police forces to submit more candidates with a higher success rate if

- recruitment numbers needed to be boosted. For example, female candidates have a 49% higher success rate than male candidates in achieving the required level of competence across the national assessment tasks, yet the proportion of female candidates put up for national assessment by police forces varies from around half to just over 20% of candidates.
- iv There are significant differences across forces in the number of successful candidates passed through national assessment relative to numbers recruited – some forces take more recruits than successful candidates submitted. A compensation mechanism across forces for these differences in submitted applicants relative to recruits might be desirable.
  - v I can find no evidence that local ‘outside’ earnings affect the quality of recruits – either measured quality such as the proportion of candidates with experience, or in terms of differences in the pass rate once we control for measured characteristics. This may be for several reasons: police forces differ significantly in their strategies for selecting applicants, and we might also have to control for the occupational ‘mix’ in the labour force in order to find significant differences. Areas with high levels of local outside earnings still find enough recruits of adequate quality, although they may only obtain them by recruiting from among successful applicants from other police forces. Without further analysis and decomposition of the outside earnings figures, I am led to the preliminary conclusion that police pay is at a more than adequate level in all areas to recruit in sufficient numbers, but that both the incidence of training costs and the relative levels of police recruitment premia and additional allowances across forces require further analysis. I consider the issues of regional and local pay in Section 5.
  - vi It may be that police forces require the national assessment as merely providing a minimum standard of a recruit, and that individual police forces require additional qualities which their recruits are unable to fulfil. This may be the case, but I have no data on which to base such an argument.
  - vii Finally, I find no evidence of a retention problem for police officers.

## 4. The appropriate level of pay for police officers: The intrinsic value of the job

### 4.1 Compensation for the nature of the job: general principles

86. The previous section suggested that, aside from some specific issues concerning differential levels of earnings between the Metropolitan Police and some parts of the South East, there was no evidence of recruitment and retention problems among police officers. If recruitment and retention, and affordability, were therefore the only determinants of police pay, then current levels of police compensation would at present be more than adequate and, arguably, excessive in some parts of the country. However these criteria have to be balanced against other considerations; in particular, whether the full remuneration package of pay and pensions and fringe benefits (such as free travel, where applied) fully compensates individuals in a particular profession or occupation for the nature of the work involved in that career and the particular stresses and responsibilities that go with the job. Ultimately these considerations will influence not just the quantity but also the quality of long term recruits into the profession.
87. This requirement that the total reward for the job reflects the specific nature of any profession or occupation, which I have termed the ‘intrinsic value of the job’, has loomed large in previous discussions of police pay such as the Desborough and Edmund-Davies reports and the Royal Commission. However, a necessary corollary of any discussion of the ‘intrinsic nature of the job’ of policing is that this consideration should not be over-emphasised at the expense of the more mundane but ultimately more practical and empirical question of short-term recruitment and retention.
88. The question that arises therefore is: are police officers at the right position in the overall pay structure, given the overall nature of policing? A natural starting point is to note from Section 2 that police officers (constables and sergeants) are significantly above the mean (and even more clearly, the median) in the occupational pay distribution, have pay that is on a par with many white collar professions whose members have many more formal educational qualifications, and are some 10-15% above other uniformed and emergency occupations. What factors might justify this positive premium?
89. Economists argue that any premium on pay in any occupation over and above that to be expected given its requirements in terms of education, training and experience should ideally exist only as compensation for certain non-monetary facets of the occupation: that is, it should function as a ‘compensating differential’. In a competitive labour market (that is, in the absence of monopoly bargaining power arising from trades unions or monopsony buying power among employers arising from cartel behaviour), and given the education, training and experience requirements of the job, pay should adjust to equalise these differences in the non-monetary (dis)advantages of the job. This theory, which goes back to Adam Smith, is termed the theory of ‘equalising differences’ (in pay).<sup>16</sup>
90. A specific example of a compensating differential is the ‘X-factor’ paid to members of the armed forces to compensate for a number of facets of the job – notably the danger, dislocation and stresses to family life arising from a career in the armed forces. Another example of a compensating differential, specific to police officers in the UK, is a 9% shift allowance built into basic pay for all ranks to recognise the fact that police shifts may encompass unsocial hours (but which may be augmented by additional shift and overtime premia if, for example, shifts are re-arranged at relatively short notice).

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16 For an explanation of this issue and early surveys’ empirical findings, see Brown, C. (1980) ‘Equalizing differences in the labour market’, *Quarterly Journal of Economics*, 94, 113-134; Duncan, G. and Holmlund, B. (1983) ‘Was Adam Smith right after all? Another test of the theory of compensating differentials’, *Journal of Labor Economics*, 1, 4, 366-379; Rosen, S. (1986) ‘The theory of equalizing differences’, *Handbook of Labor Economics Volume 1* (eds. O. Ashenfelter and R. Layard), Elsevier Science Publishers BV, the Netherlands.

91. There are, however, three important caveats to the notion that people should be rewarded for specific facets of a particular job. First, that job should be wholly undertaken by the individuals who are specifically rewarded for doing that job. If police work is sufficiently demanding that officers receive a premium for doing it, then either police staff doing that same job should also be receiving a premium or, analogously, police officers should not receive a premium for doing a job that can perfectly well be done by other police staff who do not receive such a premium. Evidence elsewhere in this Review and in my previous report to Part 1 of the Review suggest that police staff do not receive any such premium.
92. Second, monetary compensation need not simply take the form of current pay. Stressful or demanding jobs may have provisions for earlier pensionable retirement (indeed, this is the case with the police, firefighters and the armed forces in the UK, among public sector occupations). Higher risks of accident, ill-health, stress and injury may be associated with more generous injury benefit retirement, and/or greater scope for early retirement without actuarial adjustment to pension rights. As a general observation, such components of the remuneration package are more common for public sector occupations and for the higher-paid echelons of the private sector than for other jobs elsewhere in the economy that exhibit similar risk factors.
93. Third, the compensation (if any) for the attributes of the job should take account of the fact that individuals *self-select* into occupations. People are not randomly or forcibly allocated into certain careers in a market economy – so long as the intrinsic aspects of a job are transparent and recruitment procedures efficient, then job-holders should be in those positions voluntarily. If this were true, some would argue that the absence of a recruitment and retention problem is sufficient proof that enough people are willing to take the job and therefore to accept the non-monetary aspects of the job. And if people were there for the ‘wrong’ reasons or did not understand the intrinsic nature of the job, then this is arguably a case for better screening of applicants rather than for raising pay in order to recruit the ‘right’ applicants. So evidence of specific characteristics of a job does not necessarily justify paying a premium for that characteristic.

## 4.2 The specific ‘intrinsic value of the job’ for police officers.

94. A commonly-expressed argument is that the ‘office of constable’ gives police officers a unique profession with a variety of functions. Individual police officers are expected to be competent at a range of tasks and in a range of settings. Desborough noted that individual police officers had a high level of individual discretion and responsibility; much greater than that of other public servants. Edmund-Davies noted the high degree of initiative and discretion required in policing, and other reports have pointed to the degree of integrity required of a police officer. Is this ‘omnicompetence’ a justification for higher pay?
95. One question is whether this degree of responsibility is common across all ranks, whether it increases with increments up the pay scale, or with promotion, for example from constable to sergeant. This should have a bearing on whether basic pay should contain an uplift to reflect this central aspect of being a police officer. Comparing police officers with other public sector occupations; the armed forces and firefighters seem to have similar roles to the police of as emergency services (the requirements of availability, of being uniformed, of being disciplined, and so on). Moreover, the armed forces, firefighters and paramedics may find themselves in distressing as well as potentially dangerous situations. Other public sector professions also share, to a similar degree, a range of responsibilities and a need for integrity in behaviour, such as teachers. There are also differences, however. Armed forces are part of a strict hierarchy of taking orders although taking the initiative may be a central attribute of a good soldier, airman or seaman in specific settings. A basic difference is that armed forces are trained to take orders and, if necessary, engage in violent action. Police, in contrast, are trained to show initiative in defusing situations. Teachers differ from the police because they work on a contractual basis, do not have to wear uniform, and are not (theoretically) available at all hours for shift work.
96. However, this balance sheet is not all one-sided. Having discretion and wide range of responsibilities may be a stimulating part of a job, not a detraction. Some of the other points noted on the specificity of a police officer career – such as the absence of the right to strike,

having limited choice as to where the officer may live, restrictions on trade and business activities and on political activity – are not unknown in other professions.

ACPO<sup>17</sup> list the following ‘negative’ components of a police job which might justify a premium or positive ‘X-factor’:

- Being placed in harm’s way
- The responsibility of discretion
- The duty to prevent and detect crime on and off duty
- Prohibition from trade union membership and industrial action
- Prohibition from political activism
- Restrictions on specific premises in which an officer can live
- Restrictions on the level of personal debt
- Restrictions on secondary employment
- Disruption to family life
- Restrictions on when leave is used
- Social status

And ACPO also list the following positive factors which might be regarded as ‘negative X-factor’ components:

- Higher levels of job security
- Opportunities for lateral development, public service, variety and excitement
- Training

97. By way of comparison, a report commissioned by the Armed Forces Pay Review Body<sup>18</sup> lists the following as potential components of ‘X-factor’ in the armed forces, without necessarily attributing them ‘positive’ or ‘negative’ status:

- Features of the job
  - Adventure and travel
  - Job satisfaction
  - Job security
  - Trade union membership and industrial action
  - Promotion and early responsibility
  - Degree of autonomy/management control/workplace flexibility
  - Training
- Impact of the job
  - Danger
  - Hours of work
  - Leave
  - Separation from home and family
  - Turbulence

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17 ACPO Submission.

18 Office of Manpower Economics (2006) *Report on the definitions of the components of the X-factor*; by Inbucon Group for OME. The definitions appear to have evolved as a result of previous usage, of previous consultation documents, of the views of AFPRB members and of the consulting group used in this case.

- Social aspects of the job
    - Divorce and family
    - Health and education
    - Individual rights
    - Stress at work
    - Support to personnel and families
    - Travel to work
98. The armed forces document has a rather more extensive set of criteria than the ACPO document; moreover the list seems to contain a more even list of what might be judged ‘positive’ and ‘negative’ factors that might also be applied to policing.<sup>19</sup> The OME document also restates the very useful description of ‘X-factor’ provided by the Armed Forces Pay Review Body (AFPRB) in 2000:
- “The X-factor is an adjustment to military pay that we recommend to recognise our judgement of the relative disadvantage of conditions of service experienced by members of the Armed Forces compared to those in the civilian sector. It takes account of a range of factors, some positive and some negative, which can not be directly evaluated when assessing pay comparability. The balance of the advantage and disadvantage across the Services and the various arms within each service, and is intended to reflect service over a career. The adjustment does not, and is not intended to, reflect the particular set of circumstances the Service personnel may be faced with at any given time.”<sup>20</sup>
99. In the light of these various criteria, of the issue concerning the preferences underlying the self-selection of recruits into the police force, and of the careful *caveats* expressed by the AFPRB, I have selected four areas where the issue of a ‘pay premium’ for police officers seems particularly pertinent.

### 4.3 Quantifying an ‘X-factor’ or ‘pay premium’ for the police

100. For each of the four areas selected, I examine the evidence of whether there is a disproportionate *risk-exposure* for police officers. I then examine whether there is any evidence that the labour market *rewards* higher exposure to the risk by paying a pay premium to occupations with such risk factors. I then form a judgement as to what pay premium if any, in the aggregate, is warranted by these factors.
- a) *Mortality risk during the working life*
101. Occupations differ in the range of hazards associated with them. These include the risk of injuries from industrial accidents, from industrial-related diseases, from substance and alcohol abuse, firearms, suicide, and so on. Overall, in investigating rates of ‘death in service’ for police officers, the Government Actuary’s Department (2011)<sup>21</sup> works with the assumption that in-service mortality rates of police officers are 80% of the SINMA standard for males, and 70% of the corresponding rate for females (SINFA).
102. It should be borne in mind that mortality in the working life comes from a variety of sources, as described at the beginning of the paragraph above. The Office for National Statistics (2009), in its analysis of occupational mortality in England and Wales, lists a variety of occupation-specific mortality risks. This ONS document<sup>22</sup> contains many tables identifying the occupations

19 In effect, however, the ‘negative’ aspects of the job in the armed forces are felt to predominate, as ‘X-factor’ currently augments basic pay by 14%. Moreover, the predominance of ‘negative’ factors seems to have increased over time, as the armed forces ‘X-factor’ has been raised, as a percentage of base pay, six times since the introduction of ‘X-factor’ into the armed forces pay structure in 1970.

20 OME, 2006, p.1.

21 Government Actuary’s Department (2011) *Police Pension Scheme and New Police Pension Scheme in England and Wales, Actuarial Review as at 31 March 2008 – Valuation data and demographic assumptions*, November, London.

22 Office for National Statistics (2009) *Occupational Mortality in England and Wales, 1991-2000*, London.

with statistical significant above or below-average risks of mortality attached to a variety of causes. Only in one category (and then for male employees only) do police officers stand out as having a significant above-average incidence: this is the probability of ‘accidents related to work’. The primary source of such accidents is most likely accidents related to driving: other occupations with similar above-average rates of mortality from accidents include lorry drivers, as well as rail track workers, and electric cable and roof fitters. Fishermen have a significantly higher risk of accidents at work than police officers; interestingly the armed forces do not have a significant risk of accidents other than in the air force and flight deck officers. The review of policy injury benefits in 2008 noted that many accidents involving police officers while driving occurred on the way to and from work rather than in direct connection with police duties. However, even if we adjusted pay to allow for the higher accident risk, it would be hard to justify a premium of much more than 1% of pay.<sup>23</sup>

b) *Mortality risk after retirement*

103. As has been documented elsewhere, police officers are able to collect full pension benefits at an earlier age than most other public sector workers. Sometimes this fact has been rationalised as arising from the lower life expectancy of police officers at standard retirement dates such as 60 and 65. Evidence on this issue is also provided by the Government Actuary’s Department (2011), cited previously. The Department (GAD) is required to form a view of post-retirement mortality as a component of its process of pension scheme valuation. Using data from the two police pension schemes, GAD concludes that post-retirement mortality rates of police officers in normal health are broadly comparable to those of the main civil service pension scheme (PCSPS), implying similar life expectancies (Table 9). Compared to members of the main teachers’ pension scheme (TPS), male police officers have 1 year lower life expectancy and, in the case of women, 2 years less (Table 10). Compared to members of the NHS pension scheme (NHSPS), life expectancy is 1 year lower for police officers – both male and female. For those who have retired on ill-health, prospective life expectancy is valued as equivalent to a person 3 years older than actual age.
104. In interpreting these figures, it should be borne in mind that these public sector occupations typically have longer life expectancy than occupations as a whole. Moreover, members of occupational pension schemes tend to have longer life expectancy in retirement than those individuals who retire without any (or with limited) occupational pension coverage (as is increasingly common in the private sector). One is led to conclude from these figures that police officers do not have lower life expectancy in retirement than many other occupations, and that a five year difference between normal pension ages between police officers and the majority of other public sector groups covered by occupational pensions must be justified by factors other than differential life expectancy.

c) *Stress at work*

105. There have been several studies of mortality risk at work and the premium that might be expected in terms of wages arising from such differences. ‘Stress’ at work is more problematic to analyse because although some jobs are intrinsically more stressful than others, stress at work is partly a matter of how the individual copes with the specific tasks and interactions that arise in a work context. Moreover some elements of highly stressful work practice may ultimately be captured by occupation-specific mortality statistics. Nevertheless several studies capture the fact that not only is police work in general relatively stressful, but individuals

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23 By the following calculation: ONS (2011) estimates this extra risk factor as inducing an additional 60 deaths *over the whole period* 1991-2000 among police officers, or 6 per year. Assume the financial loss arising from the death is approximately 16 years of service at £40k annual salary. The total cost of foregone service value over the decade is therefore  $£640k \times 60 \equiv £40$  million. A ‘compensation’ premium of £40 million on officer’s pay bill for 10 years is barely over 0.1% of the total salary bill over the period; even allowing for a much greater value of life and a high multiple of serious injuries (leading to immediate ill-health retirement) to fatalities, it is hard to see how this risk factor could induce a premium greater than 1% of salary.

within the police service face particular stresses arising from some of the ‘X-factor’-type facets of the job identified by ACPO and the AFPRB above.<sup>24</sup>

106. Few research papers in economics have examined whether jobs that are ‘more stressful’ obtain higher remuneration than other jobs, and therefore it is hard to find evidence of a premium for stressful work. Research in Canada suggest that jobs which are treated as more stressful by Statistics Canada in its analyses of ‘job quality’ do indeed receive a premium of at least 10% of earnings over non-stressful jobs, but the coefficients on measured stress in various specifications are not statistically significant.<sup>25</sup> A recent study of several work sites in the United States examined self-reported ‘mental stress’ in a variety of occupations. The study found that male employees on average received a wage premium of around 9-10% for working in stressful jobs and female employees a premium of around 8%.<sup>26</sup> When the authors controlled for occupation (which might be termed the occupation-specific component of stress), the premia were around 5% for male employees and 4% for female employees. In other words, half the premium arising from stress was attributable to the occupation as a whole and half to the way the job was carried out within the occupation. Whilst the self-reported nature of ‘stress’ must cast some doubt on this study (60% of respondents in fact reported suffering ‘mental stress’ from their work), a premium of around 8% does accord with the estimates of earlier studies on stress and compensating wage differentials by Brown and by Duncan and Holmlund (see earlier footnotes).

#### d) *Deployability*

107. An important facet of work is the aspect of ‘deployability’ – that police officers can be assigned at fairly short notice to a variety of tasks, sometimes outside their police force area. This shares some of the characteristics of what the AFPRB report identified as ‘turbulence’ as well as other facets of the military career, although it is hard to argue that police officers share quite the same risks of front line deployability as the armed forces. It is not highlighted in the ACPO list of ‘X-factor’ characteristics as such, and is a difficult characteristic to capture across a range of occupations, being largely specific to policing, armed forces, and other occupations such as the National Guard in the United States.
108. Several studies in the economic literature examine whether different facets of ‘deployability’ in other occupational settings are rewarded with wage premia. These include, for example, whether workers are on-call,<sup>27</sup> and whether work is ‘atypical’ such as on-contract workers.<sup>28</sup> Such studies do not in general find compensation premia, because typically occupations of this type contain relatively low-quality jobs and are not comparable to policing. Therefore such studies do not really give a guide as to what premium, if any, should be attached to ‘deployability’. It should also be noted that, as mentioned earlier, the basic pay of a police officer incorporates a 9% uplift as a ‘shift allowance’, albeit this is not perhaps a primary facet of what is meant by ‘deployability’.

## 4.4 Overview of the police premium

109. Labour market theory suggests that pay premia to occupations over and above the economic returns to education and training should be justified by other non-monetary aspects of the job. Although policing is a unique career, it is hard to justify that all the facets of that career

24 See, for example, the studies of United States policing by Gaines, J. and Jermier, J. (1983) ‘Emotional exhaustion in a high stress organization’ *Academy of Management Journal*, 26, 4, 567-586, and Crank, J. and Caldero, M. (1991) ‘The production of occupational stress in medium-sized police agencies: A survey of line officers in eight municipal departments’, *Journal of Criminal Justice*, 19, 339-349.

25 Meng, R. (1989) ‘Compensating differences in the Canadian labour market’, *Canadian Journal of Economics*, 22, May, 413-424. Note that this study considers stress separately from mortality risk (which may also be associated with stress).

26 French, M. and Dunlap, L. (1998) ‘Compensating wage differentials for job stress’, *Applied Economics*, 30, 8, 1,067-1,075.

27 See, for example, Bender, K. and Elliott, R. (2002) ‘The role of job attributes in understanding the public-private wage differential’, *Industrial relations*, 41, 3, 407-421; de Graaf-Zijl, M. (2011) ‘Compensation of on-call and fixed-term employment: the role of uncertainty’, *Manchester School*, forthcoming.

28 Addison, J. and Surfield, C. (2007) ‘Atypical work and compensation’, *Southern Economic Journal*, 73, 4, 1,038-1,065.

warrant a pay premium over and above other emergency services and uniformed staff, given that individuals can self-select into police careers relative to other occupations. Among those attributes that I selected, although accident rates at and to and from work among police officers are higher than the average across occupations, this is a characteristic and level of risk shared by many occupations which involve a large amount of time spent driving (such as lorry drivers) who do not receive a premium, and the measured risk factor suggests a very small premium relative to average pay in occupations with average accident risk. Concerning mortality risk after retirement, GAD data show that post-retirement life expectancy among police officers is comparable with civil servants and higher than the population as a whole.

110. Insofar as police work is more stressful than other occupations, there is evidence that the labour market rewards stressful occupations with a premium of around 8-9%, equally split between the stress of the occupation and the stress specific to the individual within that occupation. This split may give a guide to the part of the police pay premium that should be attributable to being available for front-line duties relative to restricted duties. Finally, on the key issue of ‘deployability’, there is very little useful evidence from labour market studies since other occupations with the characteristics of flexible deployment are typically very different from those of policing. So there is little in the literature on the specific premium that should be attached to the ‘deployability’ aspect of policing; indeed most studies of the police premium in the United States have attributed the police pay premium simply to the strength of police trade union organisation rather than any characteristics of police work.<sup>29</sup>
111. This leads to the conclusion that a pay premium of 10-15% above other emergency services is hard to justify by an economic analysis based on the ‘intrinsic value of the job’ of being a police officer. There should be a premium to police work arising from the stress of the job but some or all of this premium should also compensate other emergency and uniformed services for specific characteristics of the job – in other words, such a premium can be used to justify a premium to all such occupations. A very small premium can be attached to police officers for within-service mortality risk, but there is no evidence that post-retirement mortality risk justifies a premium – particularly since police officers, in common with other uniformed services, will continue to enjoy earlier pensionable age than other public service occupations, even under current government proposals. One is left with a premium for ‘deployability’ over and above that paid to the other uniformed and emergency services. Intuitively, there is a case for such a premium, but a premium of 10-15% also seems quite considerable given as we have seen, that there is no shortage of applicants willing to undertake such duties. A figure of 8-10% seems more appropriate for the deployment aspect of the x-factor, capturing as it does the various factors outlined here that are intrinsic to the work of police officers.

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<sup>29</sup> The classic study is that of Ichiniowski, C. Freeman, R. and Lauer, H. (1989) ‘Collective bargaining laws, threat effects, and the determination of police compensation’, *Journal of Labor Economics*, 7, April, 191-209.

## 5. The role of incremental pay structures

112. One of the issues discussed in the main text of this Review is the nature and length of incremental pay scales for police officers. In this respect, the existing incremental pay scale for police constables is relatively long, rewarding long-standing officers for greater length of service.
113. What is the rationale for incremental pay structures? Is there any justification for pay scales with nine or ten increments, relative to shorter scales? Indeed, is ‘spot pay’, where individuals doing identical tasks receive the same pay, with possible discretionary bonuses or non-consolidated increments for exceptional performance, more desirable than any form of incremental structure? In general, incremental pay scales are more prevalent in the public sector than the private sector (although by no means absent in the latter) and have been a recurring issue in pay deliberations, especially relating to pay uplifts awarded by Review Bodies, which have to take account of the magnitude of ‘pay drift’, if any, arising from the existence of incremental pay scales in many public sector occupations.
114. Before considering the rationale for maintaining or shortening incremental pay scales in the police force, it is important to eliminate some bad arguments for maintaining, and scrapping, such scales respectively. A bad argument for retaining such scales is that they ‘reward experience’. But this can only be justified if more experienced officers are demonstrably more productive or more engaged in the more difficult aspects of policing – whether front line policing, more stressful aspects of policing, or more complex decision-making. In general, it seems more desirable to reward these aspects of the job of policing by role-based pay or promotion rather than simply by automatic movements up the pay scale.
115. An equally misleading argument *against* incremental pay scales is that they induce wage drift in the public sector and are therefore ‘inflationary’. However, an incremental pay scale is simply a way of structuring lifetime pay – individuals enter on a low pay rate and generally leave on a higher pay rate. Whether ‘pay drift’ is thereby positive or negative depends on levels of recruitment and exit, whether through voluntary exit or through retirement. What matters for the public pay budget is average pay per head and whether this reflects the factors already considered: recruitment and retention, and the ‘intrinsic nature of the job’.
116. Pay structures should be designed with two goals in mind: to reward performance and to reward additional competencies. In occupations where outputs are measurable, above-average performance can be rewarded by bonuses. Where ‘performance’ is not so clear cut but depends on, for example, successful completion of tasks, supervisor’s reports, staff appraisal, etc., better-than-average performance could be rewarded by either non-consolidated increments or, if above average over longer periods, by consolidated discretionary increments. If a person shows persistent above-average performance and shows aptitude for greater responsibility, he or she should be a candidate for *promotion*. So in such a system of pay determination, increments could be rewards for persistent above-average performance or where the individual demonstrably increases their skills and experience (for example, by successfully passing through a probation period, passing certain examinations, showing their capacity to achieve a greater range of tasks, and so on).
117. The standard argument for a salary scale which is related to age i.e. an incremental-scale based pay system rather than a performance-based system, is where individual performance is extremely difficult to measure. This could be either because individual output wholly depends on group or team performance, or where there are no measurable forms of output or performance. If this is the case, *backloading* pay, by reducing initial pay below average productivity, and promising higher pay later in life, acts as an *incentive device*. Given the difficulties of measuring performance, the risk of an individual being caught underperforming may be relatively low but, if caught underperforming or *shirking*, the threat

of dismissal is potent, simply because the individual will not recoup the promised future higher pay if they move to another job elsewhere. There are many papers that justify this type of pay structure (including deferred pay in the form of pensions, especially final salary pensions) in such terms.<sup>30</sup>

118. Is this model of deferred pay combined with threats of dismissal a plausible model for police officers? There are at least three objections. First, and most basic, it is extremely difficult to dismiss a police officer so the ‘shirking threat’ is limited. Second, precisely because an individual police officer carries out a multitude of tasks and has a high degree of personal responsibility for carrying out those tasks, it seems hard to believe that it is not possible to design and implement a plausible method of appraising performance. Third, police pay already has a strong deferred component through the existence of the police pension scheme. This suggests that the rationale for long incremental scales is limited; rather, a police officer on achieving the requisite competencies should be paid at a rate that reflects those competencies, with incremental scales therefore designed primarily to reward the acquisition of competencies.

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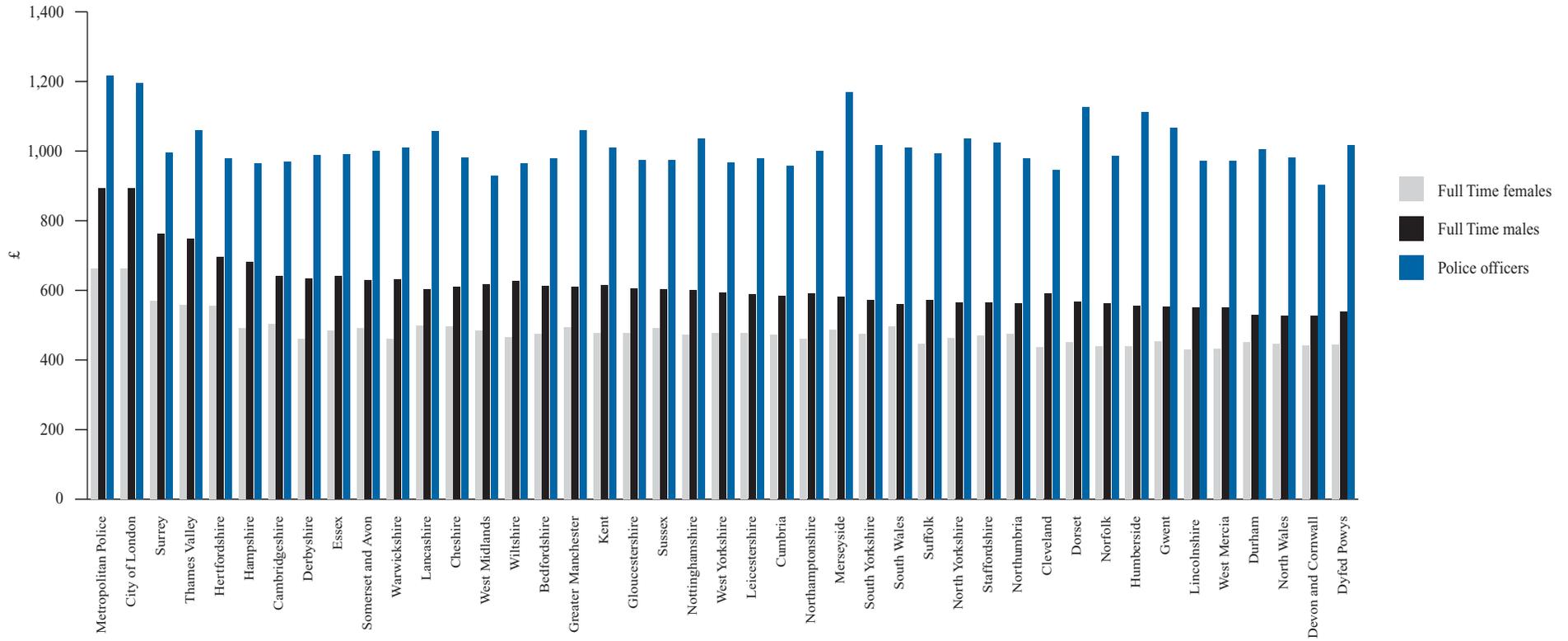
<sup>30</sup> See Lazear, E. and Gibbs, M. (2009) *Personnel Economics in Practice*, John Wiley and Sons, London; Ippolito, R. (1997) *Pension plans and employee performance: Evidence, analysis and policy*, Chicago: Chicago University Press.

## 6. Regional pay

### 6.1 Variation in pay of police officers relative to outside earnings, across police forces

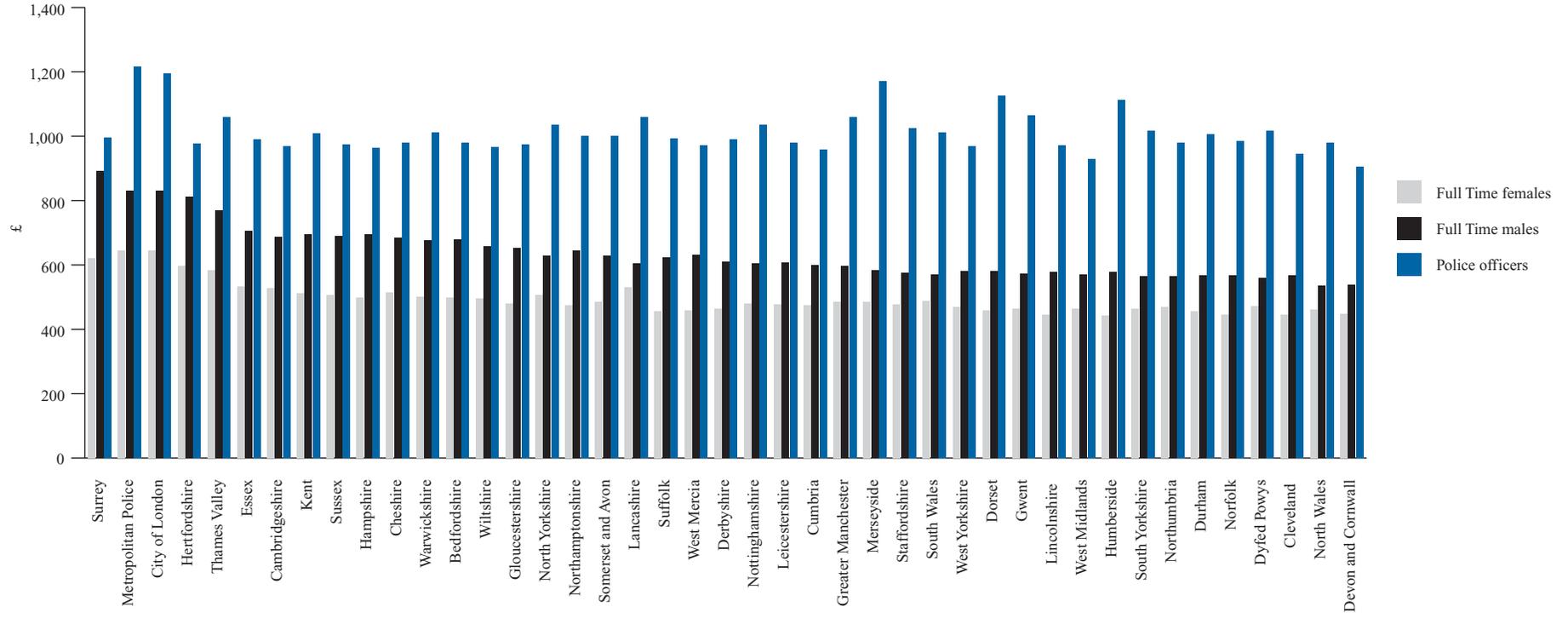
119. This section considers local and regional pay variation, both within the police and across earnings of the whole workforce. Figures 6a and 6b provide data on police officer and non-police earnings in each police force area. The data, which were also utilised in Section 3, show average male and female weekly earnings by police force area. These were obtained from the Annual Survey of Hours and Earnings (ASHE) by mapping local authority average earnings data into police force areas, weighting by employment in the relevant counties and unitary authorities. Earnings in police force areas are ranked from the highest paying area to the lowest paying area from left to right; the two figures differentiate by whether the earnings apply to the area in which the individual works (Figure 6a) or resides (Figure 6b). For comparative purposes, I also add a measure of average police officer pay in each force, obtained from CIPFA police returns by dividing the total wage bill by the number of serving officers.
120. It is a striking feature in Figure 6 that the ratio of average police officer pay to local area pay varies widely between police force areas. In the case of the London Metropolitan Area, police pay is about one third higher than average pay in the area; elsewhere in several areas police pay is almost double local pay. Of course, there are some differences in the *intensity* of policing in different areas (discussed briefly in my report to the first Review) which might justify pay differentials and, as mentioned in Section 3, in a sophisticated analysis I would wish to control for the occupational ‘mix’ of outside occupations in each police force area when measuring local ‘outside’ earnings. Nevertheless the relative lack of variation in police pay relative to local pay is clear enough from these figures.
121. Looking at the data in a little more detail; there are differences in average police pay across forces but, outside of London, these are probably driven by differences in the age composition of officers and differential payments of overtime, special priority payments and so on. It is noticeable that some ‘inner South East’ forces such as Surrey, Thames Valley and Hertfordshire Constabulary face relatively high rates of ‘outside’ earnings (particularly if calculated from the ASHE data on a residence rather than work basis) but are not particularly high paying forces. This may be because these forces have a slightly higher turnover of staff (‘wastage rates’ tend to be about 1 to 2 percentage points higher than average – see Figure 5) and therefore a somewhat younger age structure. At the other extreme, Devon and Cornwall Police area has the lowest ‘outside’ wage but is also among the police forces with the lowest average level of pay per officer. However, there is no clear pattern among the average pay of police officers and outside pay elsewhere in the data.

Average weekly earnings (£) by police authority area of work relative to average police pay, 2010



Source: Full time males and females: Annual Survey of Hours and Earnings; constructed by mapping Table 7a (earnings by local authority of work) to police authority areas.  
Police officers: CIPFA police actuals: average police pay = total pay bill divided by number of officer

Average weekly earnings (£) by police authority area of residence relative to average police pay, 2010



Source: Full time males and females: Annual Survey of Hours and Earnings; constructed by mapping Table 7a (earnings by local authority of work) to police authority areas.  
 Police officers: CIPFA police actuals: average police pay = total pay bill divided by number of officer

122. Another important point to note from Figure 6 is that, notwithstanding the range of outside earnings by police force area from highest to lowest-paying area, average outside pay in many police force areas lies in a fairly limited bracket of around £600 weekly for male and £500 weekly for female employees. There is a clear divide in outside pay between London, then a group of inner SE counties, and then a gradual gradient of pay levels from some outer SE counties and parts of the West Midlands and Cheshire, through to the lower paying counties and northern Metropolitan areas. These data suggest that we should pay attention to local disparities in pay but not attempt to design excessively complex mechanisms for linking police pay to local variations in pay across police forces where variations in ‘outside’ earnings between areas are not large.

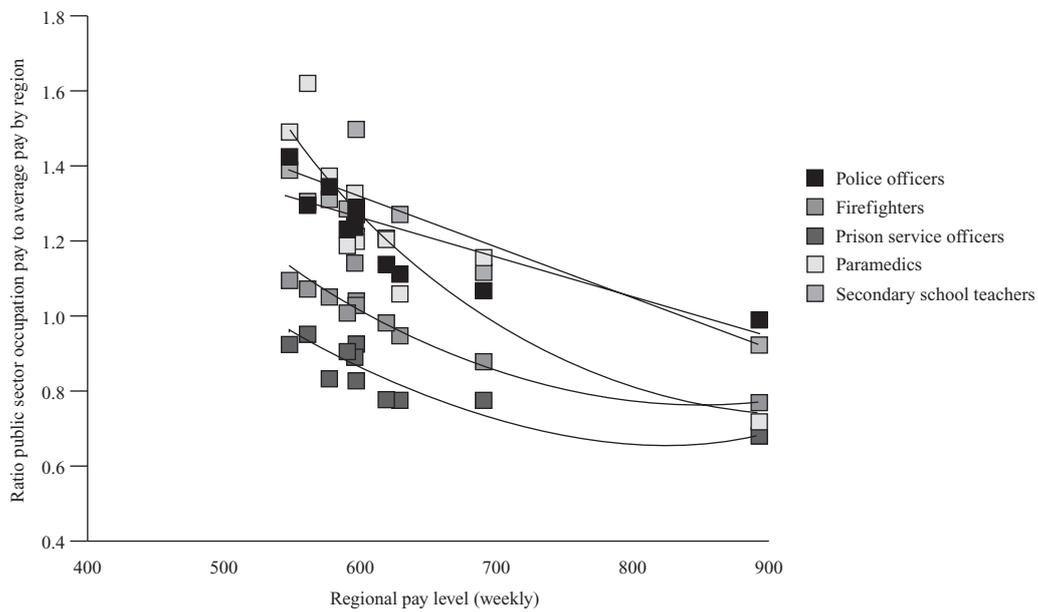
## 6.2 Regional pay ratios by public sector occupations

123. The disparity of average pay across local areas relative to police pay is striking, but it is not confined to the police; indeed these divergences are characteristic of much of the public sector. This arises from the high degree of national bargaining of public sector pay in sectors such as health, education and central public administration. To illustrate this point, it is not possible to obtain a disaggregation of occupational pay differences down to the local police area by occupation from published ASHE data, but it is possible to provide evidence at the regional level of the extent to which ratios of public to private sector pay diverge across the regions using ASHE.
124. Figure 7a (for 2010 ASHE data for male employees) and Figure 7b (for 2010 ASHE data for female employees) present data for a selection of public sector occupations of ratios of occupational pay to local pay by region. The Figures are constructed as follows. On the horizontal axis, from left to right, I plot the lowest paying region (in terms of average pay) through to the highest paying region. So, typically, regions to the left side of the graph will be regions such as Wales, the North and the South West; the right hand extreme is clearly London. On the vertical axis, I plot the *ratio* of pay for each specified public sector occupation to regional pay. Clearly, and predictably, these occupational pay ratios slope downwards to the right; pay in these public sector occupations has much lower spatial variation than other, mostly private sector, occupations. Public sector occupations earn a premium in low paying regions, but typically do not earn a premium (or even incur a penalty) in London and, to a lesser extent, the South East. When we control for individual characteristics such as age and educational attainment, these disparities are reduced but the broad conclusions remain the same.<sup>31</sup>

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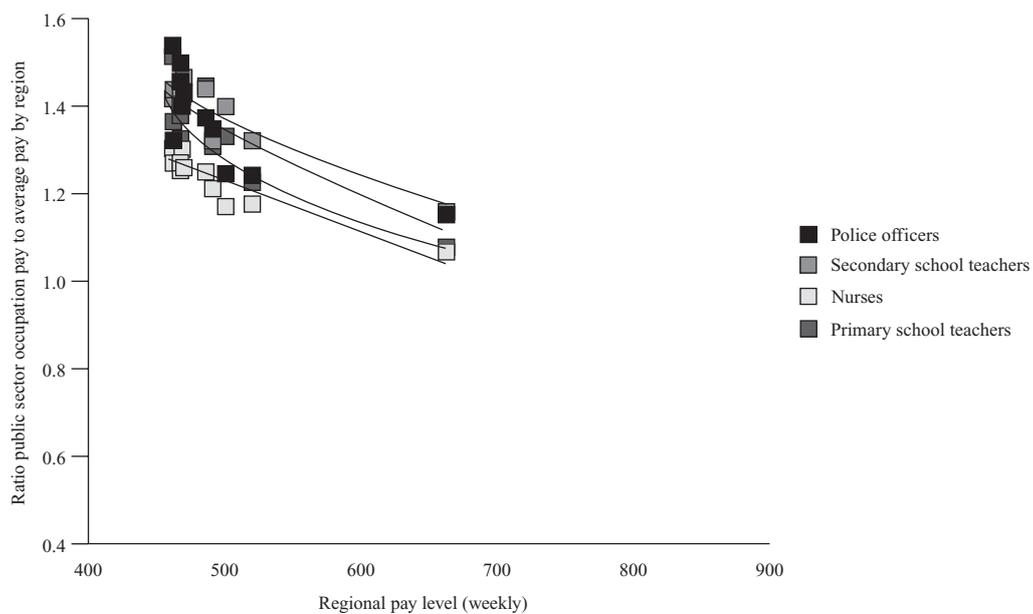
<sup>31</sup> For evidence on public sector wage premia and penalties which confirm this statement, see Institute for Fiscal Studies (2011) *The Green Budget*, Chapter 7 ‘Public sector pay and pensions’, Table 7.4, p. 172.

Ratio of average pay for selected public sector occupations to average pay by region: Full-time males



Source: ASHE 2010

Ratio of average pay for selected public sector occupations to average pay by region: Full-time females



Source: ASHE 2010

125. Figure 7 shows that these gradients of ratios of public sector pay to average pay according to the level of local pay are not confined simply to the police. For male police officers, the ratio of average police force to average pay varies from 1.43 (that is, average police pay is 43% higher than average local pay) in the lowest paying region for male employees (Wales) to 1 in London. For female police officers, the ratio varies from 1.54 in the lowest paying region for female employees (the North East) to around 1.15 in London. However, other public sector occupations exhibit a similar pattern. Note also, from comparing Figures 7a and 7b, that there is a greater spread of average pay by region for male employees whereas for female employees, average pay variations are much more compressed, with the notable exception of London. Finally, the disparities are such that for male employees in these selected public sector occupations, average pay in London is actually below average pay in London; the police are on a par with average earnings in London only because the London allowances of police in total are somewhat higher than London weighting and High Cost Area Supplements (HCAS) for other public sector occupations. Thus there are disparities not just in regional pay relativities but also in the levels of compensation for higher costs accorded to different public sector occupations in London.

### 6.3 Police area pay variation of police staff

126. Police staff other than police officers have received less attention in my reports. This is primarily because ASHE data on a broad range of occupations in the police service (other than police officers and traffic wardens) do not differentiate between administrative and other staff working in the police service and comparable jobs elsewhere, such as in local government, so that accurate figures for police staff are difficult to find.<sup>32</sup> In that first report, I utilised some data from original ASHE returns from 2009 by a (non-randomised) sample of police forces which were happy to give such data. One difficulty in using such data then, and now, was that police staff job classifications by police forces vary widely so that classifying police staff jobs into comparable categories across forces proved problematic. This may reflect a point noted by UNISON in its submission of evidence to Part 2 of Review that, while police staff are on the same national pay scale, there is a good deal of heterogeneity in local police force grading of similar jobs which thereby induces pay heterogeneity. Consequently UNISON, in their submission, advocate a national job-evaluated pay structure analogous to Agenda for Change in the NHS for police staff.<sup>33</sup> They also point to the important issue that police staff and police officers are often doing the same job in the police service on very different pay rates.
127. A basic analysis of the efficient operation of labour markets would suggest two responses to these remarks by UNISON. First, people doing the same job in the same location should receive the same pay ; this is a basic principle underpinned by economic theory and should also be a legal requirement. Second, economic analysis suggests that differences in pay should reflect differences in capacity to recruit and retain, or in the intrinsic nature of the job; differences in pay should not arise simply from arbitrary differences in job grading unrelated to these factors. In other words, variations in pay across spatial labour markets and over time should reflect measurable differences in recruitment opportunities, such as outside earnings. Pay of police staff doing similar jobs clearly differs from one force to another; the question is whether or not such differences represent differences in local labour market characteristics, or arbitrary differences in personnel management.
128. In 2010, UNISON collected data from several police forces of comparative pay for key police staff roles. They have kindly made this data available to the review, and I shall analyse it here along with some force data for PCSOs from the ASHE returns for 2009.
129. As in the analysis of police officer pay, police staff pay by selected police forces is compared with outside earnings by police area, constructed from published ASHE data as described in earlier sections. Four graphs in Figure 8 illustrate examples for selected ASHE police staff from 2009 ASHE returns and UNISON's 2010 data. As before, force levels of pay are

<sup>32</sup> Part 1 of this Review contained a recommendation that ONS should make some effort to do so.

<sup>33</sup> UNISON submission.

compared to ‘outside’ earnings by police force across all occupations ranked from the highest to the lowest, and this time using annual earnings data.

130. The results give a mixed picture. Clearly some forces operating in higher pay areas pay higher wages to police staff: examples are Surrey, Hertfordshire and Thames Valley Police. And some forces in low paying areas pay their police staff at the low end, such as Durham and Northumbria Police. But other forces, especially in Wales and Central England, diverge from this pattern. This may be for several reasons: ‘outside’ earnings do not capture the local occupational mix, arbitrary band grading (as suggested by UNISON), disproportionate hiring of police staff (e.g. PCSOs) in higher cost urban areas within the force area, or a degree of ‘contagion’ by which forces that paying higher earnings to police officers also pay more to police staff than would be warranted by local labour market conditions. Without further, more comprehensive data, it is difficult to disentangle these explanations. The results therefore confirm that there is greater variation in police staff pay at a police force level, but cannot confirm any one hypothesis behind these facts.

**Figure 8**

Pay variation by police staff occupation relative to all occupations by police area

Source: Sample ASHE force returns 2009; sample UNISON force data

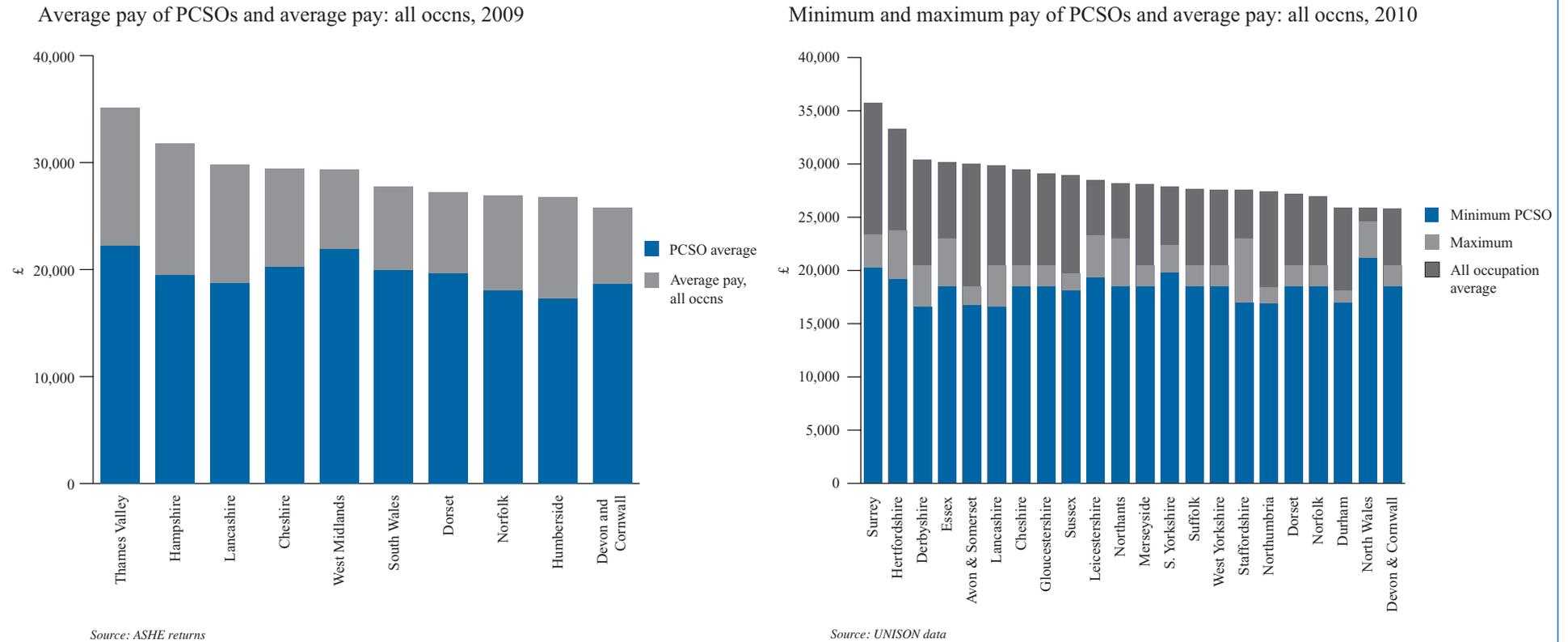
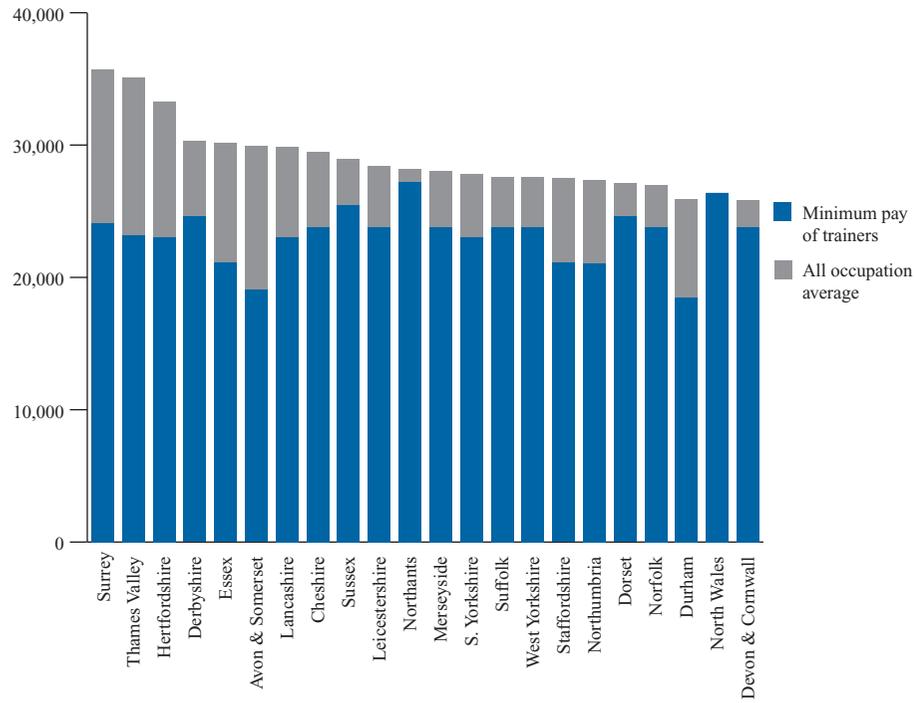


Figure 8 (continued)

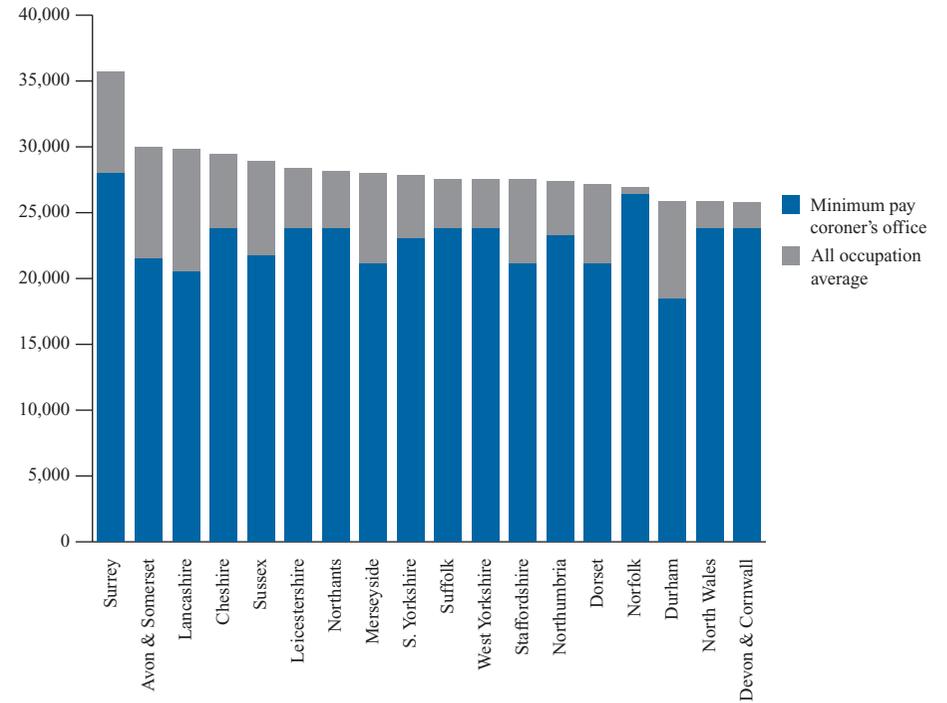
Pay variation by police staff occupation relative to all occupations by police area  
 Source: Sample ASHE force returns 2009; sample UNISON force data

Minimum pay of trainers and average pay: all occns, 2010



Source: UNISON data

Minimum pay of coroner's officers and average pay: all occns, 2010



Source: UNISON data

## 6.4 Policy options

131. Should we be concerned by these spatial variations in pay ratios between, on the one hand, police officers and (to a lesser extent) other police staff and, on the other hand, local average pay levels? If so, given the policy context, what are the policy options?
132. There are two broad reasons why we might be concerned about spatial variations in pay ratios of police forces to local pay. First, there is an equity consideration. If police in one area have a lower relative wage than others, it might be argued that they are being treated unfairly by the pay structure, especially if the areas of lower relative pay relative to other occupations are areas where policing may be more stressful or onerous (such as Inner London). On the other hand, if equalising pay relativities across police forces involves boosting pay in regions where average pay is high and capping or indeed cutting pay of police in lower paying regions, this may contribute to lower aggregate income in areas which are already suffering from low pay and reduced job opportunities. In other words, equity of treatment of police has to be balanced against any general government policies for resourcing the lower paying areas of the country. Whilst it might be argued that public pay determination across localities is an entirely separate issue from supporting regions with lower pay and job opportunities, it is a practical fact that public sector employment and pay levels underpin the aggregate income and employment of poorer regions (such as the North East) to a much greater extent than say, London or South East.
133. The second reason for concern as to these relative pay variations is simply an issue of the efficiency of the labour market. In the absence of pressures on recruitment and retention, national wage-setting essentially provides public sector services at a higher cost to the taxpayer in lower paying regions than would otherwise be the case. There is an opportunity cost to public spending on pay, in terms of foregone opportunities to spend the money on more direct assistance to regions, or on other spending priorities (which might indeed include lower tax rates across all regions). The other side of the coin is that, if public sector workers have lower wages relative to outside options in higher paying regions, public sector occupations may face difficulties in recruiting and retaining staff of an appropriate quality. This may prove costly in terms of efficiency and service delivery.<sup>34</sup>
134. My analysis in Section 3 found little evidence of recruitment and retention difficulties in the case of police officers, although there was some evidence of higher ‘wastage rates’ among some inner South East police forces given the allowances available to Metropolitan Police officers (additional supplements as well as free travel). If successful achievement of the competency threshold in the national assessment is taken as an appropriate measure of recruit quality, then it is also hard to argue that high-paying outside options in London and the South East have adversely affected the quality of policing in these areas. However if ‘quality’ is judged as a desired standard over and above minimum competence, or by various performance measures, we might want to adopt different standards of ‘quality’ from minimum competency. I have no evidence with which to make a judgement on this topic. However it should be noted that there *is* other evidence that variation in the levels of public sector pay relative to outside paying options does affect the quality of recruits.<sup>35</sup>
135. This analysis therefore suggests that we might consider options for introducing greater variation in police pay across local police areas, over and above the London Allowance and London weighting, and the fairly small allowances currently available for the inner and outer SE areas. A number of options are available and I consider them, broadly in order from the most to the least radical reform.

34 See Propper, C. and Van Reenen, J. (2010) ‘Can pay regulation kill? Panel data evidence on the effects of labor markets on hospital performance’, *Journal of Political Economy*, 118, 2, 222-273.

35 See Nickell, S. and Quintini, C. (2002) ‘The consequences of the decline in public sector pay in Britain: A little bit of evidence’, *Economic Journal*, 112, February, F107-F118; and Disney, R. and Gosling, A. (2008) ‘Changing public sector wage differentials in the UK’, Institute for Fiscal Studies *Working Paper* W08/02, London. For a closely-related discussion of spatial wage differentials in the public sector, see Elliott, R., Ma, A, Scott, A, Bell, D, and Roberts E. (2007) ‘Geographically differentiated pay in the labour market for nurses’ *Journal of Health Economics*, 26, pp.190-212.

#### 6.4.1 *Decentralised pay-setting*

136. The most radical reform would be to allow, indeed require, each police force to determine police officers' pay by local bargaining with its own workforce. All national pay-setting machinery would be abolished. This would be unlikely to find favour with either the representatives of police officers or indeed with HM Treasury, on the grounds that all centralised control of pay-setting would be lost with the consequent scope for local disputes, leapfrogging pay claims, and so on.
137. It should be noted, however, that where local discretion in bargaining is allowed in the public sector (for example, in NHS Foundation Trusts), public sector managers have proved very reluctant to depart from established national pay structures. This is in part because in fields of public provision such as the NHS, individual jobs and pay scales have been evaluated by a national job evaluation scheme (namely 'Agenda for Change'). The existence of a nationally job-evaluated pay structure places restrictions (whether actual, or perceived by the parties) on the scope for local flexibility. No such national scheme of job evaluation exists for police officers – indeed the wide-ranging nature of the duties and obligations placed on the 'office of constable' make it hard to see how such a national JES *could* be implemented for police officers in this context. Consequently the possible legal and contractual complications of moving from national to local bargaining would be much reduced.<sup>36</sup>

#### 6.4.2 *National formula: local area-based pay setting*

138. A second option is to maintain a national system of pay-setting but to utilise a formula with a local pay component in order to permit the differentiation of pay across police forces. Such a formula would probably have to utilise the type of data that I constructed for Figure 6 previously, matching local authority data into police force areas. For example, a formula could attach some weight to local earnings and another weight to either national police pay levels, or to a public sector comparator in the local area on similar pay levels, such as school teachers. Since a large component of the public sector is nationally bargained, a formula of this kind (perhaps with an additional police premium to reflect 'X-factor' considerations) would tend to dampen local variations in police pay (depending on the weight attached to local private sector pay relative to a public sector comparator). Clearly application of such a formula, whilst having to be negotiated, would be an *evidence-based* form of pay-setting, which would suggest that an alternative pay-setting machinery to the present police negotiating machinery would have to be in place, such as a Review Body or similar structure, in order to review the evidence at periodic intervals.
139. As detailed in the previous report, various somewhat arbitrary 'private sector facing' and 'public sector facing' criteria for benchmarking police pay have been used in previous pay negotiations. These formulae were intended to establish a *national* not a local benchmark, and do not seem to have been grounded in any economic analysis of labour markets, whether at the national or at the local level. In contrast, the attractions of a formula of the type suggested here are (i) it blends public and private sector comparators; and (ii) it takes account of the fact that private sector pay is more geographically differentiated than much of public sector pay. A drawback, however, relative to a simple formula based on national figures on earnings, is that it is harder for the parties involved to verify the results of applying a more complex formula by using national published data.
140. At the request of this Review, I have experimented with such formulae. First, such a formula has to use a data set such as the Annual Survey of Hours and Earnings (ASHE) with sufficient sample size to do the calculations. However, since the calculations should be transparent to the parties, they should be based on published ASHE data as opposed to analyses which require original ASHE data tapes (and which might not thereby be vetted and verified by the Office of National Statistics for statistical accuracy). This suggests that the lowest level of disaggregation at which decentralised pay-setting would be feasible would be the 11 standard

<sup>36</sup> In the United States of America, for example, there is a vast range of pay rates for police officers across local counties – see my first report and the evidence at: <http://www.bls.gov/oes/current/oes333051.htm#st>

regions of England, Wales and Scotland. For illustrative purposes, therefore, I experimented with a formula that estimated police regional pay as based on a ‘X-factor’ markup of 20% over a weighted formula of 75% weight attached to local regional pay and 25% to the regional pay of a public sector comparator (I chose secondary school teachers), for the years 2004-10 using ASHE data. All the analysis was done for men. Application of this formula to the data suggests that, by way of illustration, pay of police officers in 2010 would have been around 10% higher in London, around 7% higher in the South East, marginally higher in the East, the East Midlands and Scotland,<sup>37</sup> and lower elsewhere than was actually the case according to ASHE data. The largest reductions, from these data, would be in Wales (-14%) and Yorkshire and Humberside (-10%).

141. It might be objected that such formulae are intrinsically arbitrary and that the consequent changes in relative pay rates would be entirely random, depending on the specific parameters of the formula. So long as the formula is transparent, however, it is always possible for the pay negotiating machinery to suggest an alternative formula and to test the results of so doing. The experimental formula used here, for example, picks up successfully that, whereas the South West is an area of low pay, it is also an area where, for whatever reason, earnings of police officers are lower on average, whereas in Wales, police earnings are among the highest in Britain. This is reflected in the adjustments implied by the formula; moreover the ranking of adjustment factors by region are probably rather insensitive to the specific parameters of the formula although the *magnitudes* of the adjustments would be affected.
142. There are, however, more serious objections to the application of a formulaic approach of this kind. First, the parameters will tend to suggest real pay reductions in areas which are already low income areas. As suggested previously, this may be politically undesirable. Second, a formula based on earnings data is being used to adjust police *scale rates* in this approach. This has serious weaknesses. Police in Devon and Cornwall are on the same scale rates as those in Wales but, for whatever reason (mix of officers or points on incremental scales attained by officers), average earnings of police officers in the two regions differ. But if it is thought desirable to bring average pay in those areas into line, it should be done not by applying an earnings-based formula but by changing the structure of police pay – whether the length of the incremental scale or the ratio of officers of different ranks – as is deemed appropriate.
143. Third, ASHE data are retrospective. Pay negotiations in October 2011 (for example) could not utilise regional data later than 2010. Allowing for the process of negotiation and ministerial approval, actual awards would be based on information that is considerably dated. Review Bodies in contrast prefer to look at current or expectations data on, for example, wage settlements, whilst being aware that data of this type are often selective and may prove to be in error. But Review Bodies would argue that pay awards are also a matter of judgement, not the application of a strait-jacket in the form of a formula. And, finally, a limitation of the ASHE-based approach, as described previously, is that published data are not available to the local police force area (although, as I have demonstrated in Figure 5, such data can be constructed) and ‘outside earnings’ should ideally control for the occupational mix of pay in different localities. All such adjustments, while desirable, would make the application of the formula less transparent.
144. This analysis therefore suggests that formula-based calculations of appropriate local or regional pay differentials have a role to play in determining police pay. This role is to illustrate the implications of national pay-setting and in setting some guidelines as to what local pay differentials might look like. But the pay negotiating machinery probably needs more discretion than is implied by the application of the formula-based approach.

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<sup>37</sup> Higher in the East Midlands because the pay of secondary school teachers in ASHE is inexplicably high in that region; this shows the pitfall of choosing individual comparator occupations; a weighted mix of selected public sector occupations would be desirable in such a formula. Again, however, it is desirable that the formula is transparent and can be replicated by parties in negotiations.

### 6.4.3 Use of high cost area supplements and recruitment premia

145. Another approach to matching police pay to a much greater extent than at present to local levels of earnings is to extend and augment the existing approach of supplements to police pay in areas of high cost (for example, London) and to add additional payments, payable to new recruits or to all officers, where there is evidence of local difficulties in recruitment. This approach has an existing basis in police pay determination through the current provision of payments of up to £6,000, plus free travel, for recruits to the London area forces, with much smaller allowances of £2,000 and £1,000 for inner and outer SE forces, respectively. In addition, some forces report having used SSP payments as a form of recruitment premium, especially around the periphery of London. In recommending abolition of such payments in its previous report, the present Review pointed to the lack of consistency in the payment of SPPs across police forces; often paid for reasons that had little to do with recruitment. It left open the possibility of payments of this kind that were explicitly linked to recruitment.
146. By way of comparison, the NHS pay framework, Agenda for Change, whilst based on a national system of job-evaluated grades and scale rates, also allows for high cost area supplements (HCASs) and for national and local recruitment premia. The NHS Pay Review Body (NHSPRB) is tasked with making recommendations for uprating and/or extending HCASs – requests for a new HCAS by the Review Body are evaluated on the basis of evidence submitted to the NHSPRB. The NHSPRB also has the power to make recommendations for *national* recruitment premia where there is evidence of occupations with nationwide hard-to-fill vacancies, although these recommendations have generally been rejected by the Department of Health. Finally, NHS Trusts are allowed to pay local recruitment premia for hard-to-fill vacancies, although individual Trusts have generally been rather reluctant to do so.<sup>38</sup>
147. Consideration has also been given over the years by government recommendations to Review Bodies of what are termed ‘x + y’ formulae – that is, pay uplifts where a certain fraction of the award is a national uplift of scale rates and a part is set aside for discretionary use (whether by the Review Body or by local Trusts) of a fraction of the available extra cash for selective recruitment premia and/or uplifts or extensions of HCASs. However such formulations have so far not been extensively implemented (except possibly in the armed forces, if various allowances and variations in the ‘X-factor’ are treated as part of the ‘y’ in the ‘x + y’ formula). This is primarily because government caps on pay uplifts have generally limited the amount available in the ‘y’ component of the formula.
148. Note, too that such formulae are generally applied to pay *uplifts* and not to restructuring pay *levels*; application of such a formula to pay levels, as in the previous sub-section, would imply pay reductions as well as pay increases if pay levels were intended more fully to reflect local differences in costs and in outside wages. This restructuring could be achieved by freezing the pay of those individuals on existing pay rates that exceeded the new pay rates, and by applying the new pay structures to new recruits and to those whose pay of existing scale was lower than the new scale rates. The assumption in doing this is that nominal pay increases over time would gradually ‘float off’ those on frozen or ‘protected pay’. But protecting the pay of ‘losers’ in pay restructuring whilst rewarding ‘gainers’ has proved to be expensive in the short run - as illustrated by the costs of implementing Agenda for Change in the NHS – and would prove costly even in the medium term if nominal pay increases remained low as a result of continued financial stringency in the public sector.
149. To consider what such a formula would look like in ‘steady state’ (that is, once all individuals were on the new scale rates), I undertook a simulation of a pay structure which took account of variations in pay of comparable occupations across regions. Specifically, I assumed that the pay of a constable where average pay was lower – specifically Wales and the North East – was set

<sup>38</sup> Largely on the grounds of the perceived threat of ‘leapfrogging’ and also because of fear of legal consequences of departing from the nationally agreed pay structure. Pay of senior executives in NHS Trusts is not covered by the Agenda for Change framework. Although scale rates of senior executives in NHS Trusts have been held down by successive governments relative to Agenda for Change pay awards, senior NHS executives have not been reluctant to award ‘market-force’ based recruitment premia to their own number, not least in Foundation Trusts.

at an average of £30k to £33k on an annual basis (currently, ASHE data combining constables' and sergeants' pay suggest average earnings of police officers in the those regions is in the region of £38k to £40k). Next, I considered what occupations in Wales and the North East paid in the region of £30k to £33k, both on a mean and median basis. Then, I mapped across the pay of those other occupations into higher-paying regions – the London and the South East. What was the differential in pay across those occupations between regions, relative to police pay across regions? It emerges from this analysis, not surprisingly, that there is a vast difference between public and private sector occupations in terms of regional pay: see Table 5.

Table 5a: Comparisons of annual pay for men: Wales to London and the South East

Mean annual wages for men in Wales between £30k and £33k	SOC code	£ annual	£ Mean wages in London for this occupation	Δ London to Wales	£ Mean wages in SE for this occupation	Δ South East to Wales
<b>Wales, Police officers (sergeant and below)</b>	<b>3312</b>	<b>40,207</b>	<b>46,750</b>	<b>0.16</b>	<b>38,796</b>	<b>-0.04</b>
Wales, Occupational hygienists and safety officers (health and safety)	3567	32,265	42,480	0.32	33,511	0.04
Wales, Mechanical engineers	2122	32,179	43,724	0.36	42,234	0.31
Wales, Engineering technicians	3113	32,104	41,033	0.28	34,850	0.09
Wales, Chartered surveyors (not quantity surveyors)	2434	32,093	62,573	0.95	34,695	0.08
Wales, Managers And Proprietors In Other Service Industries	123	32,070	61,837	0.93	44,691	0.39
Wales, Civil engineers	2121	31,781	40,496	0.27	40,793	0.28
Wales, Scaffolders, staggers, riggers	8141	31,566	33,053	0.05	28,813	-0.09
Wales, Managers and proprietors in other services n.e.c.	1239	31,179	61,446	0.97	52,144	0.67
Wales, Production and process engineers	2127	31,176	35,294	0.13	36,697	0.18
Wales, Business And Public Service Associate Professionals	35	30,934	63,090	1.04	35,828	0.16
Wales, Town planners	2432	30,639	37,162	0.21	38,675	0.26
Wales, Nurses	3211	30,591	33,305	0.09	29,277	-0.04
Wales, Media Associate Professionals	343	30,558	42,735	0.40	32,274	0.06
Wales, Rail travel assistants	6215	30,275	30,044	-0.01	28,090	-0.07
Median annual wage for men in Wales between £30k and £33k	SOC code	£ annual	£ Median wages in London for this occupation	Δ London to Wales	£ Median wages in SE for this occupation	Δ South East to Wales
<b>Wales, Police officers (sergeant and below)</b>	<b>3312</b>	<b>38,752</b>	<b>45,995</b>	<b>0.19</b>	<b>39,626</b>	<b>0.02</b>
WALES, MANAGERS AND SENIOR OFFICIALS	1	33,234	56,508	0.70	42,483	0.28
Wales, Science And Technology Professionals	21	32,676	43,271	0.32	40,000	0.22
Wales, Engineering Professionals	212	32,651	42,082	0.29	37,374	0.14
Wales, Architects, Town Planners, Surveyors	243	31,988	45,000	0.41	36,914	0.15
Wales, Business And Public Service Professionals	24	31,593	48,169	0.52	37,218	0.18
Wales, Business And Finance Associate Professionals	353	31,264	45,134	0.44	33,062	0.06
Wales, Civil engineers	2121	31,248	42,943	0.37	35,198	0.13
Wales, Engineering technicians	3113	31,090	36,774	0.18	33,302	0.07
Wales, Health And Social Welfare Associate Professionals	32	30,158	30,922	0.03	26,479	-0.12

**Table 5b: Comparisons of annual pay for men: North East England to London and the South East**

<b>Mean annual wages for men in North East between £30k and £33k</b>	<b>SOC code</b>	<b>£ annual</b>	<b>£ Mean wages in London for this occupation</b>	<b>Δ London to North East</b>	<b>£ Mean wages in SE for this occupation</b>	<b>Δ South East to North East</b>
<b>North East, Police officers (sergeant and below)</b>	<b>3312</b>	<b>38,181</b>	<b>46,750</b>	<b>0.22</b>	<b>38,796</b>	<b>0.02</b>
North East, Design and development engineers	2126	33,039	45,706	0.38	39,996	0.21
North East, Information And Communication Technology Professionals	213	32,970	48,221	0.46	46,585	0.41
North East, Sales representatives	3542	32,662	52,865	0.62	34,002	0.04
North East, Architects	2431	32,343	58,315	0.80	49,424	0.53
North East, Business And Public Service Professionals	24	31,598	60,643	0.92	42,861	0.36
North East, Plumbers, heating and ventilating engineers	5314	30,725	30,508	-0.01	29,799	-0.03
North East, Sales And Related Associate Professionals	354	30,538	48,352	0.58	36,828	0.21
North East, Nurses	3211	30,489	33,305	0.09	29,277	-0.04
North East, Chartered surveyors (not quantity surveyors)	2434	30,337	62,573	1.06	34,695	0.14
North East, Engineering professionals n.e.c.	2129	30,158	44,343	0.47	40,570	0.35
North East, Architects, Town Planners, Surveyors	243	30,090	57,172	0.90	39,018	0.30
<b>Median annual wage for men in North East between £30k and £33k</b>	<b>SOC code</b>	<b>£ annual</b>	<b>£ Median wages in London for this occupation</b>	<b>Δ London to North East</b>	<b>£ Median wages in SE for this occupation</b>	<b>Δ South East to North East</b>
<b>North East, Police officers (sergeant and below)</b>	<b>3312</b>	<b>37,097</b>	<b>45,995</b>	<b>0.24</b>	<b>39,626</b>	<b>0.07</b>
North East, Engineering Professionals	212	33,530	42,082	0.26	40,492	0.21
North East, Architects, Town Planners, Surveyors	243	32,912	45,000	0.37	36,914	0.12
North East, Storage and warehouse managers	1162	31,573	30,000	-0.05	28,442	-0.10
North East, Research Professionals	232	31,527	33,092	0.05	32,570	0.03
North East, Health Associate Professionals	321	31,515	36,014	0.14	30,337	-0.04
North East, Researchers n.e.c.	2329	31,499	32,679	0.04	31,308	-0.01
North East, Public Service And Other Associate Professionals	356	31,110	36,292	0.17	30,030	-0.03
North East, Chemical and related process operatives	8114	30,551	27,914	-0.09	22,512	-0.26
North East, Information And Communication Technology Professionals	213	30,310	45,131	0.49	42,812	0.41
North East, Business And Public Service Professionals	24	29,905	48,169	0.61	37,218	0.24

150. To interpret Table 5, consider first the results for Wales. Male police officers (sergeants and constables) on average earn just over £40k but in this instance I consider benchmark police constable pay as being in the £30k to £33k range. What types of occupations pay average earnings in ASHE in the £30k to £33k range in Wales? From table 5a, it can be seen that these occupations are typically in middle managerial and engineering occupations at the mean, and professional groups such as architects, town planners and financial professionals at the median. There are some public sector occupations represented, such as nurses. Repeating the exercise for the North East in Table 5b, where police earnings are slightly lower, we get similar comparable groups to Wales at the £30k to £33k level, as well as some skilled blue collar occupations.
151. Now examine pay in those comparison occupations in London and the South East. Whereas police earnings are around £5k higher in London than Wales, and police earnings in the South East are comparable to those of the North East, the range of earnings in these comparison occupations in London and the South East is much greater. Typically, the managerial and professional private sector occupations that earned around £30k to £33k in Wales and the North East earn around £55k to £60k at the mean in London and around £45k at the median. In the South East, these occupations earn around £45k at the mean and £40k at the median. In contrast, pay in London for public sector-dominated occupations such as nursing is only marginally higher than in Wales and the North East, and for technicians and operative grades (scaffolders, riggers, process technicians, etc.) is, if anything, somewhat lower.
152. What conclusions do we draw from this analysis? If £30k to £33k is the right benchmark for the average pay of a police constable in a low-paying region, then private sector white collar occupations paying this level of salaries in those regions typically pay £40k to £45k in the South East and £45k to £60k in London – differentials of around +£10k with the South East and +£15k to +£20k in London. (In contrast, police earnings in the South East are no higher than the North East and lower than in Wales, and around £5k to £7k higher in London). Other public sector occupations have even lower ‘premia’ for London and the South East than the police; likewise blue collar workers. Therefore, if we weight by the relative proportions of white collar professional and managerial, blue collar and public sector professional occupations in these earnings brackets, we might conclude that in an ideal pay structure, pay of a police officer in London should be around £10k to £11k higher in London and £5k to £6k higher in the South East than in the lower paying regions, when averaging across the pay disparities observed for other occupations and allowing for other ‘fringe benefits’ such as free travel. But this does not mean that police officers should be earning £10k to £11k more than police officers in Wales from a base of £40k in Wales – this last figure seems too high a level of earnings when we look at the nature of occupations earnings £30k to £33k there. Rather, it suggests that the existing effective weightings of London and the South East of +£6k (+ free travel), and +£1k to +£2k, respectively, should be investigated further, possibly in conjunction with the request to Review Bodies in HMT’s Autumn Statement 2011 to consider local pay issues for their remit groups.
153. Care must be taken, however, in arguing for major increases in the high cost area allowances from their existing levels, because of the ‘boundary’ problems to which I have already alluded. As was noted in the discussion of recruitment, inner South East area police forces already face some problem of retaining recruits and avoiding ‘wastage’ when working in the London police forces is more attractive. Simply raising London weighting to, say, £10,000, would exacerbate these problems. But then raising allowances to inner South East forces would create problems for outer South East forces, and so on. This suggests creating a number of bands around London with step changes of £2 to £3k to alleviate these problems. From this discussion, and the earlier discussion of earnings by police force area depicted in Figure 5, a possible solution might be to consider a gradient of this magnitude across three bands from highest to lowest: London; Inner SE (for example, Surrey, Hertfordshire and Thames Valley Police forces); and Outer SE (potentially including forces up to West Midlands Police), but all from a lower earnings base in the other regions. These, or any other proposed bandings, could be discussed within the pay negotiating machinery on an evidence basis and might have to be phased in,

based on costings and the extent to which existing parts of the pay structure are protected for existing officers.

154. There remains the issue of recruitment premia. In part, these extra allowances are designed to deal with potential future problems of recruitment and retention in high-paying areas. Moreover, since there is a single profession of police officer, rather than the variety of professions in the NHSPRB remit, there seems little need to consider national recruitment premia. The issue remains of whether a police force (at the behest of the PCC and Chief Constable) should nevertheless have the discretion to pay local premia, to police officers, and whether decisions to do so should be ratified by the national pay-setting machinery. A case might arise, for example, in counties which differ quite substantially in their labour markets depending on the proximity of parts of the county to London or other urban conurbations, such as the counties of Essex, Hampshire and Kent. This issue seems less pertinent in the case of police officers relative to other police service occupations insofar as a police officer employed by a county force can be directed to work in a particular part of the county. Nevertheless, it might be thought that some machinery for local discretion might be needed (equivalent to a modified version of the old SPP) in the event that such an issue arises.

## Appendix 4 – Literature Review: Performance Related Pay (PRP) and the Police – Summary of Key Findings

This literature review was kindly prepared for this review by Dr Neil Warren of the Home Office's Crime and Policing Analysis Unit.

1. This paper summarises the research evidence on performance related pay. There is a particular focus on the police, but most of the research is gathered from other contexts.
2. The review has been undertaken through systematic searching of on-line databases. It has however been conducted over a short timescale, so does not constitute a full systematic review or rapid evidence assessment. As a result it does not claim to be comprehensive in its coverage. Also, not all studies have been subject to a formal quality assessment process. The evidence base available is limited in terms of the number of studies, their overall quality, and their relevance to the specific context of policing. The diversity of both PRP schemes and their contexts makes it difficult to draw general conclusions about the efficacy or otherwise of such schemes and their potential applicability to a police setting.
3. In this review, by PRP what is meant is schemes whereby pay is in some way linked to performance. The element of pay concerned may be a one-off lump sum payment, or may involve the addition of an increment to salary.<sup>1</sup> Performance may be measured based on specific output(s) or outcome(s) to which pay is linked, or based on an overall assessment of an individual's performance (such as through an appraisal). PRP can be applied at the individual level (where the performance of each employee is individually assessed and PRP is applied according to this), or can be applied at a team level.
4. The most salient rationale for PRP schemes is that they motivate staff to perform better by acting as a monetary incentive and/or reward for good performance – which in turn should improve their productivity and the performance of the organisation.

### Impact on organisational performance

5. Several studies suggest that PRP can have a positive effect on organisational performance of public sector bodies although few are conclusive in their findings, and many have methodological limitations (for example around the presence of comparable control groups or the potential for novelty effects). Burgess et al. (2004) found some impact in a study of Jobcentre Plus, but only in small districts, and only in terms of the quantity (number of placements) and without affecting measures of quality. Atkinson et al. (2004) found some impact among teachers (here the measure was pupil attainment), although within some specific subject areas no improvement was found, and where there did appear to be some impact, the precise causal relationship was not clear.
6. There is also evidence from private sector studies (e.g. Piekkola, 2005, who analysed how Finnish firms' performance related to PRP schemes, and Lazear, 2000, who examined the effect of PRP in a single US firm) and laboratory-based studies (e.g. Bucklin and Dickinson, 2001) which suggest PRP can be effective in improving performance. However, it is open to question whether these studies' findings are applicable to the public sector, where the work and the employment dynamic may be of a very different nature.

### Impact on staff motivation

7. Research has also examined whether PRP influences staff motivation. Most studies do not suggest PRP is a strong factor in motivating staff (e.g. Marsden and Richardson, 1994). These studies generally measure self-reported motivation; the main weakness of this approach is that people may not be reporting their (or others') motivations accurately.

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1 This should be distinguished from career promotions which are also based on performance. These are essentially rewards for long-term performance, whereas PRP is generally focused on performance within an evaluation period of a year or less.

8. The implication that PRP does not motivate, or at least is perceived to not motivate, suggests that if there is a positive effect of PRP on performance, it may be through a more complex process. Either employees have been motivated by PRP without realising or acknowledging it, or else there have been other mechanisms that have led to improved performance as a result of PRP (or both).

#### **Other consequences of PRP: positive**

9. Where improvements in performance do occur, it has been argued that, rather than increased motivation, the mechanism for this may be through improved goal setting and strengthened appraisal systems that occur as a spin-off of the PRP process. This in turn leads to greater focus on objectives and more clarity of job roles (e.g. Dowling and Richardson's research of NHS managers, 1997), which in turn improves staff performance. Marsden and Belfield (2005) found evidence, albeit perceptions based, for improved goal setting among teachers in some schools as a result of a PRP scheme, and tentative evidence that this coincided with improved school performance. Marsden argues (for example in Marsden, 2004) that this process involves a 'renegotiation' of performance norms, whereby the improved goal-setting involves re-establishing expected performance standards.
10. Some have claimed that PRP schemes can aid recruitment and retention of quality employees. Lazear (2000) found some evidence of this in a US firm, although this review did not find any clear examples of this from the public sector.

#### **Other consequences of PRP: negative**

11. An arguably stronger body of evidence has identified a number of negative consequences that PRP schemes can bring. These effects could easily be seen to have the potential to outweigh any benefits that PRP may achieve in terms of potentially enhanced performance.

#### ***Focus on reward generating tasks***

12. One criticism of PRP is that employees are likely to focus their efforts on the specific tasks that are incentivised through a PRP scheme. While the focusing of work priorities in this way may be desirable in some sectors, this may also lead to an unwanted distortion of working behaviour. Burgess et al.'s study of job centre staff (2004) found that employees focused on the easiest target to measure; this led to an increase in quantity of outputs, but not quality. This view was common amongst police officers interviewed by both Mavin (1996) and Tonge et al. (2009); they perceived that the introduction of a PRP scheme would be likely to lead to effort being concentrated on those particular tasks that influenced PRP.
13. A more manipulative form of this behaviour – where individuals seek to gain an advantage without actually improving performance – has been identified in some of the research evidence. This is referred to in the literature as strategic behaviour, or "gaming". This can have related negative consequences (see for instance Courty and Marschke, 2004, cited by Prentice et al.). Not all studies, however, found evidence of gaming.

#### ***De-motivation***

14. Several studies have found that PRP schemes can actually be perceived to be a source of de-motivation. There is some tentative support (Marsden and French, 1998; McCausland et al., 2005) that PRP may be associated with de-motivation or a reduction in job satisfaction by detracting from the intrinsic motivation of staff<sup>2</sup>. Although not explicitly set in a PRP context Mas (2006) identified how workplace behaviour can be adversely affected, in a policing context, by issues of perceived pay fairness and disappointment. Bregn (2008), in a discussion paper reviewing laboratory based studies, outlined how PRP can potentially instigate disappointment by altering expectations. In a policing context, Tonge et al. (2009) and Mavin

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<sup>2</sup> This is consistent with 'crowding' theory. For a general description of this, see Frey (1997).

(1996) – both small scale interview based studies - found study participants anticipating demotivation should PRP be introduced into a policing context.

### ***Job satisfaction and atmosphere at work***

15. There is some evidence of job satisfaction among workers receiving PRP being lower than those on other pay schemes – although this pattern does not hold for high paid workers (McCausland et al., 2005).
16. – PRP (especially individual-based PRP) has been associated with a perception of a decline in work atmosphere and morale (Marsden and Richardson, 1994; Marsden and French, 1998).
17. – The appraisal system can become ‘contaminated’ by the presence of PRP, which can lead to distrust among employees (Marsden and Richardson, 1994).

### ***Financial cost***

18. In addition to the cost of PRP payments, some authors (e.g. Mavin, 1996; Cardona, 2007; Burgess and Ratto, 2003; Lazear, 2000) have commented that the financial cost of running a PRP scheme (in terms of measurement, bureaucracy, training, etc) is an important factor.

### **Attitudes to the principle of PRP**

19. Employees have been found to be primarily in favour of the *principle* of PRP. However, this can be compromised by scepticism about the *practicalities* of schemes (e.g. Marsden and French, 1998).

### **Unfairness and perceived unfairness in PRP systems**

20. The research identifies fundamental pitfalls around the ‘fairness’ of PRP systems (or how fair they are perceived to be). PRP schemes can be unfair if the measures of performance used do not accurately reflect the performance of staff.
21. Equally damaging to a PRP scheme is if it is perceived by staff not to be fair. There are a number of studies that show a concern amongst staff working in public sector organisations that their PRP schemes are unfair (e.g. Thompson, 1993; ESRC, 2003). Tonge et al. (2009) found, in interviews with police officers, that payments in a potential PRP system would be unlikely to be seen as fair.
22. Marsden and Richardson’s study of the Inland Revenue (1994) found not only widespread doubt about the fairness of the PRP system, but that it also appeared to have undermined the integrity of a previously well-established appraisal system. They concluded that the link between appraisal and PRP seemed to have alienated many staff. Marsden and French (1998) also found evidence of distrust in aspects of appraisal-related PRP in a number of public sector contexts. They found that even ‘procedural justice’ measures, which had the specific aim of ensuring fairness between staff, were actually themselves viewed suspiciously. This suggests that convincing staff PRP schemes are fair is extremely difficult.
23. That distrust in the PRP system would be damaging seems almost self-evident. Dowling and Richardson (1997) found that motivational and behavioural change was less likely among those who thought aspects of objective setting were done badly, or that assessments were conducted inappropriately.
24. Related to the fairness of PRP schemes, Marsden and French (1998) also found that some line managers believed that PRP is a bad idea because not enough staff have sufficient control over their work.

### **PRP in policing**

25. This review yielded very little research relating specifically to the use of PRP in the police. However, there are two studies which do shed some light on the perceptions police officers *might* have if such a system were introduced (Tonge et al., 2009 and Mavin, 1996). Both assess

officers’ perceptions and are based on relatively small numbers of interviews – consequently the findings need to be treated with caution. Also, both deal with individual-based PRP (in the case of Mavin, specifically appraisal-based), so do not consider the possibility of team-based schemes.

26. Tonge et al. (2009) conducted interviews with 13 serving police officers of varying rank and experience. They concluded that an individually based PRP system would act to demotivate frontline officers, and that the consensus of participants was that “the introduction of such a system would be at the expense of quality of service delivery” (2009:23). Although the views expressed in the interviews were not uniform (indeed many of those interviewed were actually in favour of the *principle* of PRP), the commonly held view was that in the police, officers should not be paid on the basis of individual performance. This was because of the complexity of police work, the teamwork required, and the difficulty in measuring individual performance accurately and fairly. PRP was also not thought necessary to deal with poor performance (this was thought to be the responsibility of supervisors).
27. Mavin (1996) drew heavily on research conducted in a UK police force into their existing appraisal system (which did not have a PRP element). Mavin (1996) uses this research to explore the implications for adding PRP into the appraisal system. Interviews were conducted with a range of police officers. Drawing on the interview data and reviews of the literature Mavin concluded that the introduction of appraisal-related pay to the police could be damaging. Mavin found high levels of dissatisfaction with the existing appraisal system; concerns over the subjectivity of the appraisals; and an acknowledgement of the importance of the team culture within police work. Mavin argued that the individualistic ethos of appraisal-related pay was against the team working of much police activity and could therefore be divisive. Taken together, Tonge et al. and Mavin’s studies suggest that police officers *may* perceive PRP (at least individual PRP) to be inappropriate in the context of policing, damaging, and unfair.
28. Baicker and Jacobson (2007) found that police do, in some circumstances, respond to a kind of incentivisation. The particular scheme in this study was not PRP, but a scheme where police agencies were able to be rewarded for the amounts gained in drug seizures – although the study also demonstrates the sensitive balance in police work and how there can be unplanned side effects.
29. This review found very little international evidence of PRP in policing, although an OECD review of several countries’ reports on their experiences of PRP in the public sector does mention schemes existing for the police in countries such as Korea and Spain. The most revealing insight however, is probably from New Zealand, where in general the public service’s experience with PRP has been very positive, apart from one exception – the police – which at that time was reported as moving away from PRP back to a more length of service basis (OECD, 2005).
30. While this review has yielded only a handful of studies on PRP in the police, a broader body of evidence exists on the working of PRP in the public sector. Many of the issues raised in this body of research could be relevant to the Police. The main issues identified about PRP specifically affecting the public sector are:
  - it is difficult to find measures of work in the public sector that are robust, consistent, and valid measures of performance;
  - the principles of PRP are counter to the organisational culture (for example in terms of intrinsic motivation) within the public sector; and
  - the funding available in the public sector for PRP schemes may mean that staff expectations of such schemes are not met (Bregn, 2008).

### **What makes a ‘good’ PRP scheme?**

31. The research evidence does not point to a single “best practice” design for PRP schemes (this partly reflects the different environments in which evaluated schemes have taken place).

Nevertheless, some of the research evidence suggests approaches or principles which might appear to be associated with more successful schemes.

32. For example, communication and consultation with staff at the outset (including managing expectations), adequate training of line managers, effective objective setting, and making adequate provision for the time and budget required, have all been put forward as elements of good practice in PRP schemes.

### *Proportion of salary*

33. The evidence around what proportion of salary is appropriate for PRP incentives is not consistent. A workplace based private sector study (Piekkola, 2005) found that schemes offering the lowest levels of incentives (relative to base pay) were not effective while schemes offering greater incentives were associated with improved firm performance. The laboratory based literature (see Bucklin and Dickinson's review, 2001) however suggests the size of monetary incentives does not influence performance levels. In terms of the ideal proportion of salary for PRP, this review uncovered no papers that attempted to put a precise proportion on this. Piekkola did however make an estimate of a proportion of salary that is not effective (3.6% or less) but only on the basis of one specific workplace context (commercial firms in Finland), and the way this is calculated means it should not be taken as a precise cut-off figure.
34. It is also likely that the desired proportion of salary to be at stake through PRP will vary between individuals. There is some evidence (Brown et al., 2002) that more risk averse individuals may select employment with the least risky wage option – although the extent to which this is applicable to those who have chosen a career in the police service is debatable. Although not explicitly covered in the literature, it may also be that those on higher salaries can afford for a greater proportion of their income to be uncertain.

### *Use of quotas*

35. There is little research on the optimum proportion of staff who should receive a performance reward. However, there is some evidence that the use of quotas (fixed proportions of staff who receive bonuses) can be problematic by creating distrust among employees, who can become concerned that they will not receive the appraisal gradings they deserve. Marsden and Richardson (1994) provide the clearest evidence of this distrust. On the other hand, with no restrictions there may be a danger of line managers being overly generous: Mavin (1996) cites Fowler (1988) as saying that managers can be reluctant to give assessments that upset working relationships – which Mavin suggests might be exacerbated by the nature of policing, where such relationships can be tested in highly charged situations.

### *Team-based or individual-based schemes*

36. There is no convincing evidence as to whether individual or team based PRP schemes are overall more effective (where 'team' ranges from a few individuals to a department or health trust). The evidence base in this area is limited in its quantity and in its robustness - few studies involve direct comparisons between different types of PRP and those that do have other limitations, while perceptions are relied on heavily.
37. Marsden and French's (1998) comparison of perceptions amongst staff in two health trusts with different types of scheme concluded that individual-based schemes may: produce greater increases in performance or changes in behaviour; strengthen the appraisal and goal-setting process by adding weight to it (although may also be seen to contaminate it by causing suspicion of ratings given); and be perceived to be better at dealing with poor performance. Related to this last point, a number of authors have highlighted 'free-rider effects' - whereby individuals do not pull their weight – as a problem with team-based schemes.
38. Marsden and French (1998) and other studies have also highlighted perceived advantages of team-based schemes: engendering greater teamwork and co-operation (e.g. Bamberger and Levi, 2008); being less damaging to morale; less likely to lead to jealousies between staff; and encouraging staff to be less suspicious of management.

39. The size of the team on which PRP is based may be important in determining how effective team-based PRP is. For example, Burgess et al (2004) found the incentive to have had a substantial positive effect in small teams, and a negative effect in large or dispersed teams. Within smaller teams, PRP may encourage peer monitoring, which could further increase performance and mitigate against free-rider effects.
40. There appear to be problems, as well as potential advantages, with both individual and team-based schemes. Which approach is deemed 'better' is therefore likely to depend on the particular context and organisation, in addition to the degree to which individual performance can be fairly measured.

## Conclusion

41. The evidence drawn upon in this review is limited. It is not extensive; the quality of studies covered in this review is mixed; few look at long-term effects; and the diversity of formats and contexts of PRP schemes makes it problematic to draw conclusive statements. Hence, the conclusions must be viewed in this context.
42. Furthermore, the nature of policing makes it very difficult to generalise findings about PRP from other sectors. There are features of policing, including the nature of police work and the fact that officers often undertake their duties unsupervised, that make it different from most of the environments where the research in this review is drawn from. Given the lack of research on PRP in a policing context, it is necessary to look in other areas for insights. However, these must be viewed with an appropriate amount of caution in terms of the extent to which they can be extrapolated to a policing context.
  - There is no overwhelming evidence for the efficacy of PRP in a public sector setting. There is however some evidence, with limitations, that in some public sector contexts, PRP may be associated with improved performance.
  - Most studies suggest that PRP is not a strong factor in motivating staff (although such studies do rely on staff recognising and acknowledging motivations accurately). Therefore if there is a positive effect of PRP on performance, it may be that other mechanisms are responsible (such as improved goal setting or strengthened appraisals).
  - The reviewed research highlights a number of negative consequences that can arise from the introduction of PRP. These include: a focus on reward generating tasks; demotivation of staff; poorer working atmosphere; and a distrust of appraisal systems. Taken together, these negative consequences may outweigh any potential benefits that may accrue through PRP.
  - Although staff may not be wholly opposed to the *principle* of PRP, in *practice* they can be distrustful of PRP schemes in operation.
  - There is very limited evidence regarding PRP in the context of the police. Two small perceptions-based studies suggest that individual-based PRP, if introduced, may not be well received by officers (e.g. due to the team working nature of policing and the difficulty in measuring individual performance accurately). While no substantive international evidence on PRP in policing was identified, New Zealand, which reported generally positive experiences with public sector PRP, found the police to be an exception.
  - Although research has been undertaken to examine various aspects of what makes a good PRP scheme (e.g. in terms of proportion of salary that should be awarded, or whether team-based or individual-based schemes are preferable), no definitive conclusions emerge.

## Annex 1: Papers included in the literature review

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## Annex 2: Methodology of the literature review

1. Although not a systematic review, some consistent criteria were applied to the searching for articles to inform this review.
2. The initial searches were conducted with the following criteria:
  - Schemes based in each of the following sectors were considered (in order of priority): The police; the other emergency services (fire, ambulance and also the prison service and the armed services); other public sector organisations; private sector organisations; the “not-for-profit”/third sector
  - Additional emphasis was given to UK based studies, although the searches also considered those from other countries.
  - Searches only included studies from 1990 onwards.
  - Only studies written in English were considered
  - The search terms used were reviewed and amended as the searches progressed as new potential terms emerged. Boolean connectors were used throughout the search process.
  - Only studies where the abstract indicated that they were relevant to the review were selected.
3. The database searches initially yielded over 7,000 citations. When more focused filters were applied to these, there remained a list of 721 possible studies for inclusion. The abstracts of these studies were then considered to assess whether or not they appear to answer the research questions. Many were discarded at this stage for being not relevant or duplicates. As a result of that process, a shortlist of 29 studies was formed.
4. Once these articles were identified, a few were excluded from the review for one of the following reasons:
  - The study could not be obtained, or could not be obtained in time to be included in the review
  - The study did not prove relevant to the review
5. A number of additional studies that were not found using the above criteria were also included in the review that became apparent through other channels.
6. It had been the intention, if possible, to only focus the review on studies of a relatively high methodological rigour (ideally level 3 and above on the Maryland Scale of Scientific Methods<sup>3</sup>). However, the very small amount of relevant evidence uncovered of this quality meant this was not an option, so in some cases less robust evidence is also included. Some discussion is made in the paper of limitations of some of the evidence.

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<sup>3</sup> See the Government Social Research website here for details:

<http://www.civilservice.gov.uk/my-civil-service/networks/professional/gsr/resources/REA-how-to-resources-for-appraising-studies.aspx>

## Appendix 5 – Description of police pensions arrangements

This summary of the various pension schemes available in the police service has been kindly provided to the review by the Police Productivity Unit in the Home Office. It serves as a description of the schemes that are referred to throughout the main report.

1. In effect, a pension is an income to be received upon retirement. It is usually earned during the recipient's working life, and built up through a combination of his contributions from his salary and payments into a pension fund by his employer or the organisation for which he works. Police officers and staff are eligible to be members of public service pension schemes.
2. Most public service pension schemes provide benefits for members and their dependants. These are index-linked, in accordance with legislation<sup>1</sup>, and have contracted out of the State Second Pension<sup>2</sup>. The Treasury plays a central role in co-ordinating the provisions of public service pension schemes.
3. The Independent Public Service Pensions Commission, led by Lord Hutton, performed a review of public service pension schemes and delivered its final report in March 2011. The pension schemes that apply to police officers and staff were included in this review. The Government has accepted Lord Hutton's recommendations as a basis for consultation and recognised that the position of the uniformed services, including police officers, will require careful consideration. That which follows outlines the current position as provided by the relevant regulations, as amended. It does not cover potential changes which may occur in the future, in the light of Lord Hutton's recommendations, as these are outside the scope of this review.

### Police officer pensions

4. There are two pension schemes to which police officers in Home Department police forces<sup>3</sup> may belong: the Police Pension Scheme 1987 or the Police Pension Scheme 2006. On joining, officers are automatically enrolled in one of these two schemes<sup>4</sup>, unless they actively decide to opt-out. The schemes were established under the Police Pensions Regulations 1987<sup>5</sup> and 2006<sup>6</sup> respectively, as a result of section 1 of the Police Pensions Act 1976.
5. In general, officers must have at least two years' qualifying service<sup>7</sup> for a pension or other benefits to be paid<sup>8</sup>.

1 Public service pensions are increased under the provisions of the Pensions (Increase) Act 1971 and section 59, Social Security Pensions Act 1975

2 The State Second Pension is a state pension which is paid in addition to the basic state pension. Until April 2002, the Government's additional State Pension used to be called the State Earnings-Related Pension Scheme (SERPS). Defined benefit pension schemes, provided that the benefits which they offer satisfy a quality test, can choose to be contracted out of these additional state pension arrangements so that both the members and the employer pay a reduced rate of national insurance contributions

3 These are the 43 territorial police forces in England and Wales. Officers in the eight territorial police forces in Scotland and the Police Service of Northern Ireland are also entitled to be members of the same or analogous schemes. There are also a number of other bodies, e.g. HM Inspectorate of Constabulary and the National Policing Improvement Agency, whose employees can be members of the pension schemes in specified circumstances

4 The scheme an officer can belong to depends on when they joined – in general, officers who joined on or before 5 April 2006 belong to the Police Pension Scheme 1987 and officers who joined on or after 6 April 2006 belong to the Police Pension Scheme 2006

5 SI 257

6 SI 3415

7 Qualifying Service is the service that qualifies an officer to receive a pension. It is normally the calendar length of police service for which he has paid pension contributions. If he has transferred pension rights in from another scheme, these may also count towards qualifying service

8 The exception is where an officer has been injured on duty; otherwise only a refund of contributions is payable under the schemes

### *Police Pension Scheme 1987*

6. The Police Pension Scheme 1987 allows officers to earn one sixtieth of their final salary for each of the first 20 years of service, and two sixtieths of their final salary for each of the next 10 years of service.

#### *Pension age*

7. An officer can retire and receive an immediate pension at the earliest of the following (depending on pensionable service):
  - after 30 years' service – in theory, the earliest retirement age would be 48, however this age could be lower if previous pension benefits<sup>9</sup> have been transferred in;
  - at the age of 50 with 25 years' service;
  - at the age of 55 if a constable or sergeant in any force with less than 25 years' service;
  - at the age of 55 if an inspector, chief inspector, superintendent or chief superintendent in the Metropolitan Police with less than 25 years' service;
  - at the age of 57 if a commander or deputy assistant commissioner in the Metropolitan Police with less than 25 years' service;
  - in all other cases at the age of 60.
8. The rank-dependent ages of 55, 57 and 60 are the voluntary retirement ages<sup>10</sup>. The voluntary retirement age is the age from which an officer can choose to retire with an immediate pension; provided the officer has at least two years' qualifying service<sup>11</sup>, there are no other service requirements for retirement. It is not compulsory for an officer to retire at his voluntary retirement age. There is also a deferred pension age which is 60; this means that if an officer does not have a voluntary retirement age, he can still retire and receive his pension from the age of 60.
9. In addition, there are compulsory retirement ages of 60 for all constables, sergeants and inspectors, and 65 for all other officers<sup>12</sup>. A police officer can be required to retire at his compulsory retirement age, although it is possible to request to continue in service<sup>13 14</sup>.

#### *Benefits on retirement*

10. Officers who have at least 25 years' service are eligible for an ordinary pension<sup>15</sup> of between half and two-thirds of their final salary, depending on their length of service. The maximum pension, which is two-thirds of final salary, is achieved after 30 years' service.
11. Officers who have at least 25 years' service, but not 30 years, can leave before the age of 50, but will not receive any pension until the age of 50<sup>16</sup>. Officers who leave before their voluntary retirement age, with less than 25 years' service, will not receive a pension until the age of 60<sup>17</sup>.

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9 To result in an age earlier than 48, previous pension benefits are typically from service in the armed forces or as a miner, but they could also include other occupational pensions earned (before police service) from the age of 16

10 Regulation A4, Police Pensions Regulations 1987. For officers who are not in the metropolitan police, voluntary retirement ages are as follows: age 55 for constables and sergeants and age 60 for inspectors and superintendents, and, for officers in the metropolitan police, age 55 for constables, sergeants, inspectors and superintendents, age 57 for commanders or Deputy Assistant Commissioners and age 60 for Assistant Commissioners, the Deputy Commissioner or the Commissioner

11 Regulation B2A, Police Pensions Regulations 1987

12 Regulation A18(1), Police Pensions Regulations 1987

13 Regulation A18(2), Police Pensions Regulations 1987

14 Compulsory retirement on account of age is different to compulsory retirement under Regulation A19, Police Pensions Regulations 1987, which provides for a Police Authority to require an officer with full pension entitlement (regardless of age) to retire on the grounds of the efficiency of the force

15 Regulation B1, Police Pensions Regulations 1987

16 Regulation B1(5), Police Pensions Regulations 1987

17 Regulation B5, Police Pensions Regulations 1987

12. For those who reach their voluntary retirement age and wish to retire, before completing 25 years' service, they will receive a short service pension which is based on length of service<sup>18</sup>.
13. In all these cases there is no automatic lump sum payable, but officers can decide to exchange (or commute) part of their pension<sup>19</sup> for a lump sum. Lump sums are calculated on an actuarially neutral basis and limits exist on the amount of the pension that can be commuted. For officers who have undertaken a full service<sup>20</sup> (30 years) and those who retire at the applicable voluntary retirement age<sup>21</sup>, the maximum amount of their initial pension that can be exchanged is 25%.
14. For officers who have provided at least 25 years' service, but not 30 years (and are retiring before their voluntary retirement age), there are two limits that apply to their lump sums: first, the maximum amount of their initial pension that can be exchanged is 25% and secondly, the lump sum may not exceed two and a quarter times the initial pension<sup>22</sup>.
15. Although such lump sums (known as pension commencement lump sums) are exempt from income tax, the lump sum does fall under Her Majesty's Revenue and Customs pensions taxation rules and can, if certain limits or other conditions are breached, result in some or all of the lump sum being subject to the unauthorised payments charge<sup>23</sup>.
16. The terms, as described here, refer to full-time officers; the pension of a part-time officer is based upon a fair proportion of what a full-time officer would accrue.
17. This scheme was closed to new members with effect from 6 April 2006.

### ***Police Pension Scheme 2006***

18. The new Police Pension Scheme 2006 allows officers to earn one seventieth of final salary for each year of service for 35 years. Officers also build up a retirement lump sum at a rate of four seventieths of final salary each year.

### *Pension age*

19. The normal pension age<sup>24</sup> is 55<sup>25</sup>. Officers who leave before the age of 55 will receive their pension from the age of 65<sup>26</sup>.
20. There are also compulsory retirement ages of 60 for all constables, sergeants and inspectors, and 65 for all other officers<sup>27</sup>. A police officer can be required to retire at his compulsory retirement age, although it is possible to request to continue in service<sup>28 29</sup>.

### *Benefits on retirement*

21. The maximum benefit a scheme member can accrue is a pension of half their final salary plus a fixed lump sum of twice their final salary. The actual size of the benefit depends on length of service as well as final salary. All or part of the automatic retirement lump sum may be exchanged, on an actuarially neutral basis, for additional pension<sup>30</sup>.

18 Regulation B2, Police Pensions Regulations 1987

19 Regulation B7, Police Pensions Regulations 1987

20 Regulation B7(4)(a), Police Pensions Regulations 1987

21 Regulation B7(4)(a) and (b), Police Pensions Regulations 1987

22 Regulation B7(4)(a) and (b), Police Pensions Regulations 1987

23 Section 160(2), Finance Act 2004; Schedule 29, Paragraphs 2 and 3, Finance Act 2004; section 217, Finance Act 2004; Regulations 13 and 14, Registered Pension Schemes (Provision of Information) Regulations 2006, SI 567

24 A normal pension age is the age at which all members of the scheme (with at least 2 qualifying years) can draw an immediate pension on retirement. Members can continue to serve past this age

25 Regulation 18, Police Pensions Regulations 2006

26 Regulation 32(4), Police Pensions Regulations 2006

27 Regulation 19(2), Police Pensions Regulations 2006

28 Regulation 19(3), Police Pensions Regulations 2006

29 Compulsory retirement on account of age is different to compulsory retirement under Regulation 20, Police Pensions Regulations 2006, which provides for a police authority to require an officer with full pension entitlement (regardless of age) to retire on the grounds of the efficiency of the force

30 Regulation 37, Police Pensions Regulations 2006

22. The terms, as described here, refer to full-time officers. Part-time officers will accrue a pension based on their actual service.
23. The scheme has been open to new entrants since 6 April 2006.

### ***Ill-health pensions and injury benefits***

24. In addition to ordinary pensions paid on normal retirement, both schemes provide for compulsory retirement on the grounds of ill-health. In such a situation, an ill-health pension will be paid, as an officer is required to retire<sup>31</sup> when permanently disabled for police duty<sup>32</sup>.
25. Only one level of ill-health pension is available in the Police Pensions Regulations 1987. However, in the Police Pensions Regulations 2006 there are two tiers of ill-health pension, which depend on the extent of disablement. If the officer is permanently disabled for the ordinary duties of a member of the force, a standard ill-health pension (and lump sum) is payable. If the officer is also permanently disabled for any regular employment, an enhanced ill-health pension (and lump sum) is payable.
26. In both schemes, ill-health pensions are paid to members who have to leave on health grounds with at least two years' service, or with an injury sustained whilst on duty<sup>33</sup>. Provided the officer has not reached voluntary retirement age (Police Pension Scheme 1987) or the age of 55 (Police Pension Scheme 2006), or full service<sup>34</sup>, enhanced service applies to all those with more than five years in the Police Pension Scheme 1987, and all those in the Police Pension Scheme 2006 who are permanently disabled for any regular employment. There are limits on enhancement which are linked to how soon the officer in question would have been able to receive a pension had he continued to serve.
27. Under both schemes, any pension paid as a result of permanent disablement may be reduced, by up to half, if the disablement was substantially due to the officer's own default<sup>35</sup>.
28. Ill-health pensions can be amended after they have commenced. Under the Police Pensions Regulations 1987, police authorities have discretion to review, from time to time, whether disablement has ceased<sup>36</sup>. If it is found to have ceased and the officer decides not to accept an offer to return to the force, the ill-health pension can be cancelled.
29. Under the Police Pensions Regulations 2006, police authorities have discretion to review enhanced top-up ill-health pensions at intervals of not less than five years. If the officer's disablement for any regular employment ceases, the enhanced ill-health top-up pension may be withdrawn and a standard ill-health pension will be paid unless that can also be withdrawn<sup>37</sup>. Police authorities also have discretion to review, from time to time, whether to continue paying a standard ill-health pension and to cancel it if the officer's disablement for the ordinary duties of a member of the force has ceased and he or she decides not to accept an offer to return to the force<sup>38</sup>. If disablement worsens within the first five years of retirement, or as the result of certain specified conditions, to the extent that the officer becomes permanently disabled for any regular employment, the police authority will increase the pension with an enhanced top-up pension<sup>39</sup>. In carrying out such reviews, the police authority will assume that the officer is receiving normal and appropriate medical treatment<sup>40</sup>.

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31 Regulation A20, Police Pensions Regulations 1987; Regulation 21, Police Pensions Regulations 2006

32 Regulation H1, Police Pensions Regulations 1987; Regulation 71, Police Pensions Regulations 2006

33 Regulation B3, Police Pensions Regulations 1987; Regulation 29 (applying Regulation 30 or 31 as appropriate), Police Pensions Regulations 2006

34 30 years under the Police Pensions Regulations 1987; 35 years under the Police Pensions Regulations 2006

35 Regulation K3, Police Pensions Regulations 1987; Regulation 53, Police Pensions Regulations 2006

36 Regulation K1, Police Pensions Regulations 1987

37 Regulation 51(8), Police Pensions Regulations 2006

38 Regulation 51(3), Police Pensions Regulations 2006

39 Regulation 51(9), Police Pensions Regulations 2006

40 Regulation 51(7), Police Pensions Regulations 2006

30. There is also a system of police injury benefits<sup>41</sup>, which is separate from the pension schemes and funded from forces' operating accounts. This provides additional payments to former officers who have left the police service and are permanently disabled as a result of receiving an injury in the execution of duty. In the event of an officer's death as the result of such an injury, the scheme provides for certain payments to be made to the deceased officer's surviving family.

### ***Early leavers and transferring out***

31. Early leavers (that is those who leave before they are entitled to immediate benefits) may:
- transfer their pension rights to other pension arrangements<sup>42</sup>, either associated with their new employment or, for example, to a private pension in a registered<sup>43</sup> pension scheme, if they have at least three months' qualifying service;
  - preserve their benefits to be paid as a deferred pension<sup>44</sup> for themselves at their deferred retirement age<sup>45</sup> if they have at least two years' service; or
  - receive a refund of their contributions if they have less than two years' service.
32. Those who have transferred their pension rights or had their police pension contributions refunded before retirement will not be entitled to any police pension benefits. However, they would remain entitled to injury benefits in the appropriate circumstances.
33. Where benefits are preserved, widows' and children's benefits are also preserved. Former officers in the Police Pension Scheme 2006 can choose to take their deferred pension earlier<sup>46</sup> than the deferred pension age with actuarial reduction. In both schemes, those with preserved benefits can have them paid earlier on the grounds of ill-health<sup>47 48</sup>.
34. From 1988, even those officers still working have been able to transfer out (at least some of) their pension rights; thus officers are provided with an ability to exercise choice over pension provision<sup>49</sup>.

### ***Additional benefits***

35. Both schemes have provisions which enable members to buy additional service<sup>50</sup>, in a situation where they would be short of full service (and, therefore, maximum pension) at either the officer's voluntary retirement age (Police Pension Scheme 1987) or the normal pension age of 55 (Police Pension Scheme 2006). However, the pension can never exceed the maximum pension available for that scheme (two-thirds of final salary in the Police Pension Scheme 1987 or half of final salary in the Police Pension Scheme 2006). There are also limits on the amount of additional service an individual can buy<sup>51</sup>.
36. The purchase of additional service would mean acquiring 'additional sixtieths' under the Police Pension Scheme 1987 or 'added years' under the Police Pension Scheme 2006. The purchase of additional service would normally entail a long-term commitment to pay additional contributions until retirement (or leaving the police service).

41 Governed by the Police (Injury Benefit) Regulations 2006, SI 932

42 Regulation F10, Police Pensions Regulations 1987; Regulation 78, Police Pensions Regulations 2006

43 Registered with HM Revenue and Customs

44 Regulation B5, Police Pensions Regulations 1987; Regulation 32, Police Pensions Regulations 2006

45 Deferred pension age: in the Police Pension Scheme 1987 it's typically 60, but those who leave with at least 25 years before age 50 can take benefits from 50; in the Police Pension Scheme 2006 it's 65.

46 Between age 55 and age 65

47 Provided the former officer was not assessed as ineligible for ill-health benefits on joining

48 Regulation B5(4)(a), Police Pensions Regulations 1987; Regulation 32(4), Police Pensions Regulations 2006

49 Regulation F10, particularly sub-paragraph 7, Police Pensions Regulations 1987; Regulation 78, Police Pensions Regulations 2006

50 The Police Pension (Purchase of Increased Benefits) Regulation 1987, SI 2215, for the Police Pension Scheme 1987; and Regulations 56 to 60 (inclusive), Police Pensions Regulations 2006.

51 For the Police Pension Scheme 1987, the additional contributions to buy added sixtieths cannot be more than four per cent of pay; for the Police Pension Scheme 2006 there is a maximum of five added years

37. There is also an entirely separate stakeholder pension scheme<sup>52</sup> for those who wish to make extra contributions in this way; this scheme is not subject to the same limits set out above. Another option, the free-standing Additional Voluntary Contribution arrangement<sup>53</sup>, which only applied to Police Pension Scheme 1987 members, was closed to new contracts in October 2010.

### ***Dependants' benefits***

38. Upon the death of an officer, both schemes have provisions for the benefits of his dependants<sup>54</sup>. Dependants are normally adult survivors and dependent children.
39. Adult survivors include surviving spouses and civil partners, and, under the Police Pension Scheme 2006 only, surviving “unmarried”<sup>55</sup> nominated partners who meet certain conditions. Many adult survivors receive pensions at the rate of half the member’s pension or prospective pension<sup>56 57 58</sup>.
40. Under the Police Pension Scheme 1987, dependent children<sup>59</sup> are natural children, stepchildren or adopted children (either if they are born or adopted before retirement or are of a marriage or a civil partnership dating from before retirement); these children can receive a pension<sup>60</sup> until the age of 16. Under the Police Pension Scheme 2006, dependent children<sup>61</sup> are natural children, stepchildren or adopted children, or children who are dependent on the officer; these children can receive a pension<sup>62</sup> until the age of 19. Under both schemes, the children can continue to receive the pension after the stated age, provided they are in full-time education or permanently disabled. The limit on receiving a child’s pension is the age of 23<sup>63</sup>, unless the child is permanently disabled.
41. The Police Pension Scheme 1987 also provides that, for the first three months after a member’s death, the family benefits are increased to equal the member’s own last rate of pay or pension<sup>64</sup>. There is no such provision in the Police Pension Scheme 2006.
42. There are also limited provisions in both schemes that can give gratuities to dependants<sup>65</sup> and the estate<sup>66</sup> and lump sum death grants<sup>67</sup>.

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52 Individual officers take up a contract with Standard Life – these are not prescribed by regulations.

53 Under the Police Pensions (Additional Voluntary Contributions) Regulations 1991, SI 1304. There are still some officers with AVCs, but their contracts were all started before the scheme was closed

54 See parts C and D of the Police Pension Scheme 1987 and Regulations 39 and 40 of the Police Pension Scheme 2006.

55 “Unmarried” means neither married nor in a civil partnership

56 As a result of historical legacy, the Police Pension Scheme 1987 has several different provisions depending on the circumstances, whereas the Police Pension Scheme 2006 only has one. The Police Pension Scheme 1987 is also different for adult survivors who “marry” retired members (in the extreme, if all service is prior to 1978, no pension is payable). See part C of the Police Pension Scheme 1987; Regulation 39 of the Police Pension Scheme 2006.

57 The level of pension can be affected by legacy issues, for example, past differences in the level of contributions paid by male and female officers

58 The Police Pension Scheme 1987 also has a provision (Regulations C9 and C9A) to terminate an adult survivor’s pension if the adult survivor “remarries” or lives with someone as if they had “remarried” – this does not exist in the Police Pension Scheme 2006

59 Defined by Regulation D5 in the Police Pensions Regulations 1987

60 The level of a child’s pension is very dependent on the circumstances, particularly whether or not there are any other children who also qualify for a pension, or whether or not the child is an orphan

61 Defined by Regulation 40(1)(b), Police Pensions Regulations 2006. The Police Pension Scheme 2006 includes (potentially) more children as dependants than the Police Pension Scheme 1987

62 The level of a child’s pension is dependent on the circumstances, particularly whether or not there are any other children who also qualify for a pension, or whether or not the child is an orphan

63 This is a tax limit – see the Finance Act 2004 c. 12, Schedule 28, Part 2, paragraph 15, sub-paragraph 2

64 Regulation E8, Police Pensions Regulations 1987

65 Regulation E2, Police Pensions Regulations 1987; Regulation 44, Police Pensions Regulations 2006

66 Regulation E3, Police Pensions Regulations 1987; Regulation 45, Police Pensions Regulations 2006

67 Regulation E3A, Police Pensions Regulations 1987; Regulation 46, Police Pensions Regulations 2006

***Other provisions***

43. Part of an officer's pension rights may be earmarked, or a pension sharing order may be issued, in favour of an ex-spouse or ex-civil partner.
44. Officers can pay contributions to 'buy back' some unpaid leave (sick leave, maternity leave and parental leave), subject to some restrictions<sup>68</sup>. However, time spent on a career break cannot be 'bought back'.
45. Depending on the circumstances, there are facilities to transfer in pension rights from other schemes (including personal pensions)<sup>69</sup>. There may be restrictions, or time limits, depending on the transferring scheme and the terms under which the transfer is made.
46. If former officers, who are receiving pensions under either of the police pension schemes, resume service as a regular police officer, their pensions may be subject to 'abatement' (temporary withdrawal of all or part of the pension) whilst they continue to serve<sup>70</sup>.

***Taxation***

47. Periodical pension payments are subject to income tax; consequently, if a scheme member's income in retirement exceeds their tax allowances then they will have to pay the required tax. Pension lump sums are not subject to tax, provided that they are not in excess of Her Majesty's Revenue and Customs' limits<sup>71</sup>.

***Financing of police officer pensions***

48. Pensions and lump sums are paid by the police authority for the force from which the officer retired. If officers leave the police service before retirement, their deferred pension will be paid by the police authority for the force in which they last served.
49. The two police pension schemes, like the majority of other public service schemes, are unfunded; consequently, there is no defined pension fund. The scheme is designed so that the combined employer and officer contributions for each serving officer cover the cost of that officer's pension in retirement. The pension payments to retired officers today are therefore the consequences of pension entitlement and contributions built up in the past.
50. Currently, officers in the Police Pension Scheme 1987 pay contributions of 11% of their pensionable pay<sup>72</sup> and officers in the Police Pension Scheme 2006 pay contributions of 9.5% of their pensionable pay<sup>73 74</sup>; Police Authorities pay an employer contribution of 24.2%<sup>75</sup>.
51. Police Authorities are also required to pay a one-off charge of twice the officer's pensionable pay, where an officer is being retired on the basis of ill-health<sup>76</sup>.
52. The contributions paid by officers and police authorities are put into a separate account in each police force area, ring-fenced from the police operating account. Police Authorities pay the pensions of former officers from these pension accounts. These are balanced on an annual basis, with any surplus recovered by the Government and any deficit in the accounts met by a central Government top-up grant.
53. The figures for the most recent years' top-up grant are included in Table A5.1.

68 Regulation F1, Police Pensions Regulations 1987; Regulation 10, Police Pensions Regulations 2006

69 Regulation F6, Police Pensions Regulations 1987; Regulation 15, Police Pensions Regulations 2006

70 Regulation K4, Police Pensions Regulations 1987; Regulation 52, Police Pensions Regulations 2006

71 Schedule 29, Paragraphs 2 and 3, Finance Act 2004; section 217, Finance Act 2004; Regulations 13 and 14, Registered Pension Schemes (Provision of Information) Regulations 2006, SI 567

72 Regulation G2(1), Police Pensions Regulations 1987

73 Regulation 7(1), Police Pensions Regulations 2006

74 The Government stated its intention in October 2010 to make £2.8 billion of savings per year by 2014/15 through increasing public service employee pension contributions. It indicated that public sector workers (including police officers) would be asked to contribute an average of 3.2% more in total for their pensions by 2014/15 to achieve those savings. The proposed increase would be phased in from 2012/13

75 Regulation 5(1), Police Pension Fund Regulations 2007, SI 1932

76 Regulation 5(7), Police Pension Fund Regulations 2007, SI 1932

**Table A5.1 Costs and funding of police officer pensions from 2007/08 to 2010/11**

	Audited figures (£ million)			
	2007/08	2008/09*	2009/10	2010/11
Cost of pensions	2,044	2,289	2,474	2,570
Funded by...				
Police Authority (“employer”) contributions	1,145	1,163	1,215	1,236
Police officer (“employee”) contributions	508	526	544	551
Home Office top-up Grant	352	547	639	721
Other income (transfers in, etc)	39	53	76	62
<small>Source: Home Office aggregation of force data            *In addition, an extra £83 million was required in 2008/09 in top-up grant. This was to cover back-dated pensions, lump-sums and interest, resulting from a successful legal challenge against the Home Office on which the High Court delivered judgment in March 2009.</small>				

### Police staff pensions

54. Police staff are entitled to join the Local Government Pension Scheme (LGPS)<sup>77</sup> in the relevant police force area. However, staff belonging to the Metropolitan Police Service can only join the Principal Civil Service Pension Scheme (PCSPS)<sup>78</sup>.
55. The LGPS is a funded scheme, with funds managed on a local basis. Employees currently pay contributions of between 5.5% and 7.5%, depending on their salary levels. The employer contribution rate varies from fund to fund, and is determined by an actuarial valuation of each fund’s assets and liabilities. The minimum age at which members of LGPS can receive an unreduced pension is normally 65, although there are occasions – for example, redundancy – where it can be lower. The “Rule of 85” applies to some members: if the member’s age plus length of service is equal to or greater than 85, he can retire with an immediate unreduced pension.
56. The PCSPS is an unfunded pension scheme and encompasses a number of different sections. Many members will be members of either ‘Classic’ or ‘Premium’ and have a normal retirement age of 60, with the ability to receive a reduced pension from the ages of 50 or 55 in certain circumstances. A new scheme, ‘Nuvos’, was introduced for new entrants from 30 July 2007. Nuvos provides for a normal retirement age of 65 and the ability to receive a reduced pension from the age of 55. Under the PCSPS, employees currently pay contributions of either 1.5% (in Classic, to cover adult survivor benefits) or 3.5% (in Premium and Nuvos) of their pensionable earnings. Employer contributions are 16.7% to 24.3%, depending on the salary level of the employee.
57. Both LGPS and PCSPS have ill-health retirement provisions and associated redundancy schemes.

<sup>77</sup> The LGPS is governed by the following regulations (all as amended): the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, SI 1166; the Local Government Pension Scheme (Transitional Provisions) Regulations 2008, SI, 238; the Local Government Pension Scheme (Administration) Regulations 2008, SI 239; and the Local Government Pension Scheme Regulations 1997, SI 1612. These regulations are made under the Superannuation Act 1972

<sup>78</sup> Civil Service pensions are set by statute (made under section 1 of the Superannuation Act 1972) and managed by the Cabinet Office on behalf of the Minister for the Civil Service. The scheme rules are laid before parliament, but are not made into a Statutory Instrument

## Appendix 6 – Description of job evaluation

This summary of a job evaluation process has been kindly prepared for the review by Hay Group. It serves as an explanation of a method of job comparison which is referred to throughout the main report. It should be noted that the police service utilises a number of job evaluation schemes, produced by several companies in this field, and that the review does not endorse the Hay Group model or any other scheme.

### *What is job evaluation?*

1. Job evaluation is a means of establishing differentials through ranking jobs. It originates in two concepts:
  - (a) more complex or more responsible work should receive greater compensation than less complex or responsible work, otherwise there will be no incentive to acquire deep skills or assume responsibility; and
  - (b) there should be like pay for like work within an organisation
2. Ranking jobs in top to bottom order in a single function is not difficult. What is more difficult is to gauge the extent of the difference in the sequence. More difficult again is to relate a number of different functions together. Formal job evaluation schemes were designed to overcome these difficulties.

### *Features of the Hay Method*

3. The Hay Guide Chart – Profile Method has a number of key features:
  - the three factors common to all jobs which facilitate comparison between jobs;
  - the step difference principle, which is the tool of comparison;
  - the numerical scale for relating different levels of jobs; and
  - the profile.

### *The Evaluation Factors*

4. There are a number of different methods of job evaluation. Some compare whole jobs; the majority look at factors or elements which are common between jobs such as knowledge, skills, experience, mental effort and responsibility. The Hay scheme is based on the analysis of three main factors:

<b>Know-how</b>	The level of knowledge, skills and experience required for fully acceptable job performance.
<b>Problem solving</b>	The span, complexity and level of analytical, evaluative and innovative thought required in the job.
<b>Accountability</b>	The discretion given to the job holder, either to direct resources of all kinds or to influence or determine the course of events, and his/her answerability for the consequences of his/her decisions and actions.

### *The Step Difference Principle*

5. Some job evaluation schemes compare job factors against pre-determined scales. These are known as points rating schemes. The Hay scheme compares jobs against jobs using the step difference principle which works as follows:
  - if the difference between an element in two jobs is immediately evident, and requires no consideration at all, then it is probably three steps or more;

- if, after some consideration, the difference is reasonably clear, it is probably two steps
- if, after very careful consideration and scrutiny, a difference can just be discerned, then the difference is one step
- if, after very careful scrutiny and consideration, no difference can be detected between the elements in the jobs, then they are, for evaluation purposes, identical

### *The Numerical Scale*

6. Each of the evaluation factors is set out on a grid, with defined levels within the factors and points scores indicating job size alongside them. The relationship between these points scores is another distinctive feature of the Hay method. The numbers themselves are directly proportional to each other in a geometric progression, for example 100, 115, 132, 152. This avoids the difficulty that in an ordinary progression, for example 1, 2, 3, 4, the numbers are in a constantly diminishing relationship to each other. The Hay scale of progression is 15% and means that each judgement is given this constant relativity wherever it falls on the scale.
7. This approach to the numerical scale helps evaluators to compare the size of different jobs within a structure. Along with other features of the Hay method, it also ensures that total job scores tend to cluster, which is important for creating grades linked to pay ranges.

### *The Profile*

8. The Hay scheme has a facility for checking the soundness of an evaluation by considering the shape or profile of the job. This is done by testing the distribution of the three elements of know-how, problem solving and accountability in the evaluation of each job to see if it makes sense, and relates to the nature of the role (accountable line manager, adviser, researcher *etc*).

### *The Factors in More Detail*

9. **Know how** – The sum of every kind of knowledge, skill and experience – however acquired – necessary for standard acceptable performance in the role. The framework for judging know how includes three dimensions, each of which has several defined levels:
  - Depth and range of know how (judged against a scale of A to H which covers all job types and levels in the economy).
  - Breadth, *i.e.* the requirement for planning, organising, coordinating, directing, executing and controlling over time (normally judged against a scale of 0 to IV).
  - Human relations skills, *i.e.* the skills needed to communicate with and influence individuals and groups, within and outside the organisation to achieve results (judged against a scale of 1 to 3).
10. The evaluator takes a view on how the role fits each of these criteria, and this produces a composite score for know how. On this and the two other factors, detailed judgments can be adjusted by adding a + or -. So, for example, a job which seems close to but slightly less than level E on the scale for depth and range of know how might be E-.
11. **Problem solving** – The thinking required for analysing, evaluating, reasoning, arriving at and drawing conclusions. The framework for judging problem solving has two dimensions, each of which has several defined levels:
  - Thinking environment, which assesses the extent to which thinking is constrained by its context (business environment, organisation policies, guidelines and procedures, *etc*) – judged on a scale of A to H.
  - Thinking challenge, which assesses the complexity of the problems encountered and the extent of original thinking needed to arrive at conclusions (judged on a scale of 1 to 5).
12. Again, the judgments against these criteria produce a composite score for problem solving.

13. **Accountability** – The extent to which a job is answerable for actions and their consequences. The framework for judging Accountability has three dimensions, each of which has several defined levels:
- Freedom to Act, which assesses the extent to which the job is subject to guidance or control (on a scale of A to H).
  - Area of impact, which gauges how much of the organisation is impacted by the job (on a main scale of four or five levels).
  - Nature of impact, which is concerned with how directly the job affects end results in that area (on a four level scale).
14. Again, the judgments against these criteria produce a composite score for Accountability.
15. The evaluator adds the scores for the three factors to produce a total job size. There are also consistency checks to be done, to ensure the evaluation line describes the type or shape of the role in a coherent way, and relativity checks, to ensure that the conclusion makes sense in comparison to evaluations of other roles. Either of these sets of checks can lead to adjustments in the evaluation.
16. The overall evaluation lines produced by this process make little sense at first glance, but are a form of language with which trained and experienced assessors become very familiar.

#### *The Evaluation Process*

17. There are many ways of applying job evaluation in practice.
18. It takes training and experience to become effective in the use of the scheme. Many organisations evaluate jobs using trained people in panels to reach a consensus judgment. This kind of group process can help to bring different perspectives into the evaluation and can add to the credibility of the judgment. However, other organisations rely more on expert assessment by experienced individuals in the human resources department or from the company that produced the job evaluation scheme.
19. Job evaluation can be based on a written job description, as long as the job content and the context of the work are clear and the description presents an agreed view of the work. However, in certain circumstances it can be useful to interview the jobholder and/or their line manager.

## Appendix 7 – Examples of examination questions for entry as a police officer in 1930, 1946 and 1959

The following are sample questions from examination papers for entry to the police service as a police constable in 1930, 1946 and 1959. These are referred to in the discussion of entry standards for the police service in Chapter 3 of this report.

### METROPOLITAN POLICE

#### Qualification for Candidates (1930)

**Education and Intelligence.** Ability in reading, writing, spelling and simple arithmetic will be tested.

- |   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
|---|-----------------|--|--------|--|---|-----------|---|-------|--------|-----|--|--|---|---------------------|--|---------------------|--|--|--|
| <p>1. Add:</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr><td style="text-align: right;">47,138</td><td></td></tr> <tr><td style="text-align: right;">50,483</td><td></td></tr> <tr><td style="text-align: right;">76,922</td><td></td></tr> <tr><td style="text-align: right;">13,764</td><td></td></tr> <tr><td style="text-align: right;">98,963</td><td></td></tr> <tr><td colspan="2" style="border-top: 1px solid black; margin-top: 5px;"></td></tr> </table> | 47,138          |  | 50,483 |  | 76,922  |           | 13,764  |       | 98,963 |     |  |  | <p>2. Subtract:</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr><td style="text-align: right;">744,038,798,625,148</td><td></td></tr> <tr><td style="text-align: right;">396,814,489,751,828</td><td></td></tr> <tr><td colspan="2" style="border-top: 1px solid black; margin-top: 5px;"></td></tr> </table> | 744,038,798,625,148 |  | 396,814,489,751,828 |  |  |  |
| 47,138  |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 50,483  |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 76,922  |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 13,764  |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 98,963  |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
|   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 744,038,798,625,148   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 396,814,489,751,828   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
|   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| <p>3. Multiply:</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr><td style="text-align: right;">864</td><td></td></tr> <tr><td style="text-align: right;">79</td><td></td></tr> <tr><td colspan="2" style="border-top: 1px solid black; margin-top: 5px;"></td></tr> </table>  | 864             |  | 79     |  |   |           | <p>4. Multiply:</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr><td style="text-align: right;">7,419</td><td></td></tr> <tr><td style="text-align: right;">837</td><td></td></tr> <tr><td colspan="2" style="border-top: 1px solid black; margin-top: 5px;"></td></tr> </table> | 7,419 |        | 837 |  |  |   |                     |  |                     |  |  |  |
| 864   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 79  |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
|   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 7,419   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 837   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
|   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| <p>5. Divide:</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr><td style="text-align: right;">9)7,570,370,439</td><td></td></tr> <tr><td colspan="2" style="border-top: 1px solid black; margin-top: 5px;"></td></tr> </table>   | 9)7,570,370,439 |  |        |  | <p>6. Divide:</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr><td style="text-align: right;">67)57,419</td><td></td></tr> <tr><td colspan="2" style="border-top: 1px solid black; margin-top: 5px;"></td></tr> </table> | 67)57,419 |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 9)7,570,370,439   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
|   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
| 67)57,419   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |
|   |                 |  |        |  |   |           |   |       |        |     |  |  |   |                     |  |                     |  |  |  |

7. Express in figures: Six hundred and three thousand, three hundred and eleven.
8. Express in words: 91,478.
9. What is the cost of  $4\frac{1}{2}$  yards of ribbon if 50 yards can be bought for 6s. 3d.?
10. How many articles at £7 9s. 0d. each can be bought for £216 1s. 0.?

#### Sample Dictation Test

A Police Officer must be a sober man. Consequently unfitness for duty through drink, or being under the influence of drink, whether on duty or not, is deemed a grave offence, and repeated offences in connection with drink generally involve dismissal.

A Constable with less than six month's service who is reported for any offence in connection with drink will as a rule be permitted to resign.

Police are absolutely forbidden to take any drink while on duty, whether from publicans or from anybody else.

A publican who supplies drink to a Constable on duty is liable to heavy penalties.

Police accepting presents or borrowing money from publicans are liable to dismissal.

A Police Officer must be strictly honest and truthful in all his dealings.

If his word cannot be relied on he is not only useless but dangerous both to the Force and the public, for the life or liberty of the subject may sometimes depend on the word of a Constable.

Untruthfulness is a disqualification for police service.

Police are not allowed to accept gratuities or presents without the leave of the Commissioner.

All gratuities offered must be reported for approval.

Asking for tips or Christmas boxes is absolutely forbidden.

## **A GUIDE TO THE EDUCATIONAL EXAMINATION FOR ENTRY AS CONSTABLE TO THE METROPOLITAN POLICE FORCE (1946)**

### Subjects of Examination

The Examination which is conducted by the Civil Service Commissioners comprises –

- (a) ENGLISH COMPOSITION, including handwriting, spelling and punctuation.
- (b) ARITHMETIC, first four rules, simple and compound, including Imperial weights and measures, easy decimal and other fractions.
- (c) GEOGRAPHY, especially the geography of the British Isles.
- (d) GENERAL PAPER (GENERAL KNOWLEDGE AND INTELLIGENCE).

Candidates must qualify in the aggregate mark for subjects (a), (b), (c), (d).

Under head (a) papers in Handwriting and English Composition are set.

Candidates must bring their own pens and ink; these may be in the form of a fountain-pen or a stylograph pen or an ordinary pen with an ink bottle. They should also bring a flat rule divided on the edges into inches and tenths of an inch. For Geography they should also provide themselves with black and red pencils.

### SPECIMEN QUESTION PAPERS

#### **ENGLISH COMPOSITION**

Time allowed, 1 hour

Choose ONE of the following subjects and number it on your answer form as it is numbered here: –

1. Write a letter to a friend describing a day's outing which you have greatly enjoyed.
2. Imagine you have gone to stay in an old country house which is supposed to be haunted. During your first night there you are awakened by strange noises which you investigate. Write an account of the night's experiences, adding a suitable conclusion.
3. Show the value in everyday life of being able to do odd jobs oneself.

#### **HANDWRITING**

Time allowed, 20 minutes

Write out the following passage accurately in ink. Failure to complete the passage will lead to loss of marks.

The London Police Force consists of the City Police and the Metropolitan Police. The City Police district covers an area of 677 acres. Although this area is not very large, its importance is enormous and its character different from that of any other area in Great Britain. It is, of course, the political and business centre of this country, and, although the night population is less than ten thousand, by day its population rises to nearly half a million. The Police Force for this district includes 125 Sergeants and 978 Constables.

The Metropolitan Police district embraces the much larger area of 442,778 acres and has a population of about 8,700,000. The Regular Metropolitan Police Force on 31st July, 1944, consisted of 43 Superintendents, 933 Inspectors, 2,822 Sergeants and 13,056 Constables, making a total of 16,854, or one to rather under 500 of the population. The Force stabled 242 horses, highly trained for use in the work of directing crowds and traffic outside schools. The total expenditure of the Metropolitan Police in the year 1942-43 was £12,684,833 – or more than 25 shillings per head of the population. Part of this expenditure went in pensions; on 31st March, 1942, pensions were being drawn by 15,187 retired members of the Force.

**ARITHMETIC**

Time allowed, 1½ hours

Give up the question paper and the answer book separately.

Part 1. These sums are to be done on the question paper, not in the answer book.

Add up the columns and write the totals in ink in the spaces below them. If you wish to correct a figure in any answer, strike it through and write the correct figure alongside.

£	s.	d.		£	s.	d.		£	s.	d.
0	9	4		5	19	6 ½		5	6	6
1	7	4 ½		3	14	6		0	14	10
0	17	6		0	16	2		54	3	0
1	12	8 ½		0	10	5 ½		21	10	3
1	6	8		1	13	5		32	0	10
0	15	9 ½		0	12	4		0	16	8
0	15	4		2	4	9		29	6	3
1	9	6		1	0	1 ½		0	19	7
3	0	4		3	19	7		9	5	3

Part 2. Do these sums in the answer book.

1. The record of a motorist’s holiday is as follows:–

	<b>Saturday London to Exeter</b>	<b>Sunday On to Plymouth</b>	<b>Monday On to Bath</b>	<b>Tuesday Bath London</b>
<b>Distance ...</b>	178 miles	44 miles	116 miles	101 miles
<b>Times ...</b>	8.0 a.m. 6.30 p.m.	2.30 p.m. 4.45 p.m.	9.0 a.m. 4.0 p.m.	11.0 a.m. 5.15 p.m.
<b>Halts ...</b>	2 ¼ hours	½ hour	1 ¾ hours	1 ½ hours

What was the total distance he travelled, how long did the actual driving take and what, to the nearest whole number was his average driving speed over the whole journey?

2. How many lengths of 1 ft. 9 in. can be cut from a plank 13 ft. long? If 1/8 in. is allowed for each saw cut, what length of the plank will be left over?

3. A landlord lets a house for £75 a year, excluding rates. The house is assessed at £36, and the rates are 11s. 6d. in the £. Find the weekly amount paid by the tenant for rent and rates altogether. Take a year as 52 weeks and answer to the nearest penny.

4. A factory has three rows of windows, 12 in each row. The common width of all the windows is 3 ft. 6 in., but the height of those in the bottom row is 7ft., in the second 6 ft. 6 in., and in the top row 5ft. 6in. What is the total cost of glazing them all at 1s. 3d. per square foot?

5. The figure [not reproduced] is the plan of the roads on an estate, drawn to a scale of 6 inches to the mile. Measure each of the lines in the figure to the nearest tenth of an inch and write your measurements in your answer book. Then find the total length of the roads to the nearest tenth of a mile.

## GEOGRAPHY

(Especially the British Isles)

Time allowed, 1 hour

Answer QUESTION 1 and any other THREE. Not more than four answers, including the answer to Question 1 will be valued. All the questions carry equal marks.

1. Answer briefly any SIX of the following questions (a) to (j). At the beginning of each answer show clearly the letter corresponding with the question (a), (b), (c), etc. Answers not marked with the proper letter will not be valued.
  - (a) Name the crops from which (i) whisky, (ii) cider are obtained.
  - (b) Name two counties in England which have no sea coast.
  - (c) At what two different times of the year in Great Britain are daylight and darkness of approximately equal length?
  - (d) Name two important ports on the West coast of England
  - (e) What is (i) The Giant's Causeway, (ii) The Weald?
  - (f) Name the canals which greatly shorten the routes (i) between England and India, (ii) between England and California.
  - (g) Name two countries which export iron ore to Great Britain.
  - (h) Name the two countries in which (i) Eskimos, (ii) Maoris live.
  - (i) What season is it now in South Africa? Give the reason.
  - (j) What happens to the column of mercury in a barometer when heavy rain is threatened? Give the reasons.
2. Choose any Two of the following towns and explain why they are important centres of communication. Illustrate your answers with sketch maps. Carlisle, Crewe, Dover, Dublin, Goole, Southampton.
3. Choose one of the following regions, South Wales, South Lancashire, Clydeside, and write an account of its industries, naming the chief productions, the countries from which the raw materials are chiefly obtained and the special advantages of the region for the industries you mention.
4. What parts of the British Isles are noted for fruit-growing? Describe the position of each, the nature of the fruit grown and the special suitability of the regions for fruit-growing.
5. Describe the position, climate and chief products of any THREE of the following: Ceylon, Jamaica, Newfoundland, Sicily, Tasmania, Vancouver Island.

## GENERAL PAPER

(General Knowledge and Intelligence)

Time allowed – 1 hour

Answer any THREE questions. All the questions carry equal marks. Pay special attention to the accuracy, clearness and orderly arrangement of your answers.

1. (a) John is two inches taller than William, William is 3 inches taller than James, and Arthur is 1 ½ inches shorter than William. James is 5 feet 6 inches. How tall are John and Arthur?  
(b) You are given a pencil, one strip of paper exactly five inches long, and another strip exactly three inches long. How would you measure on a third strip of paper a length exactly seven inches?
2. What do you consider to be the most important points of a good poster? Illustrate your answer by reference to well-known posters.
3. Answer FOUR of the following: –
  - (a) Why do farmers hoe between the rows of beans, turnips, etc.?
  - (b) Why are grease bands sometimes put round the trunks of apple trees?
  - (c) Why is a differential gear necessary in the back axle of a motor car?

- (d) By what signs would you judge that blood coming from a cut was arterial?
  - (e) How would you tell the difference between a swallow and a swift?
  - (f) How are offensive smells from drains prevented from entering a house?
4. Explain why young people tend to move from villages into towns when they grow up.
  5. With the aid of a sketch, describe a clinical thermometer and explain how it works. What useful conclusions can be drawn from its readings?
  6. In what ways, other than by income tax, does an ordinary citizen contribute to the revenue of the State?

### **METROPOLITAN POLICE ENTRANCE EXAMINATION (1959)**

#### **ENGLISH COMPOSITION**

Time allowed –  $\frac{3}{4}$  hour

Write an essay on one of the following subjects.

1. Discuss what appeals to you most in your favourite newspaper.
2. Your most vivid childhood recollection.
3. In your opinion what modern invention has contributed most to the benefit of humanity and why.
4. Are schooldays the best of your life? Give your reasons.

#### **ARITHMETIC**

Time allowed –  $\frac{1}{2}$  hour

1. Add together 692834, 21896, 283, 12, 79217, 7777.
2. Multiply 142786 by 59.
3. Subtract £349197 17s.  $7\frac{3}{4}$ d. from £910208 7s.  $4\frac{1}{2}$ d.
4. Divide £416 17s.  $9\frac{1}{2}$ d. by 17.
5. A motor launch travels upstream at 9 m.p.h. against a current of  $1\frac{1}{2}$  m.p.h. How far will it travel in 2 hours?
6. A salesman receives 10 per cent. commission on articles selling at 6s. 8d. each. How many must be sold in order to make £5?
7. A man left £6090 to his three children. The eldest received twice as much as the next child who received twice as much as the youngest. How much did the youngest receive?
8. A plank is sawn into 2ft. lengths. What length of plank is needed to produce 5 lengths allowing  $\frac{1}{4}$  in. for each saw cut?

#### **GENERAL KNOWLEDGE**

Time allowed –  $\frac{1}{4}$  hour

Answer any 10 questions

1. What is Samuel Pepys noted for?
2. Who invented the telephone?
3. What is pasteurized milk?
4. At what temperature on the Fahrenheit scale does water freeze?
5. Which of the following countries are said to be in the Temperate Zone? France, Greenland, Arabia, Germany.
6. How old has a person to be before he or she can vote in a Parliamentary election?

7. What is an estuary?
8. Who is the Lord Warden of the Cinque Ports?
9. Why is uranium in great demand today?
10. Give full titles of the following:–
  - (a) N.A.T.O.
  - (b) U.N.O.
11. When is the expression “Bully off” used?
12. What do you understand by Treasure-Trove.

## Appendix 8 – Methodology

1. This review has drawn upon information from a number of sources. For example, views of interested parties have been submitted in response to consultations, during oral evidence sessions, and in a series of seminars. An economic study of police pay and its components was commissioned, and a review of the research literature on performance-related pay conducted. In addition, data were provided by police forces, the Home Office and the Police Negotiating Board and were subsequently analysed by the review.

### Call for evidence

2. On 16 June 2011, a call for representations and evidence was made. This was accompanied by a letter from the reviewer explaining the purpose and scope of Part 2, with information in relation to the review's areas of interest, and a proposed timetable. A copy of the Part 1 report was enclosed for reference. Consultees were encouraged to read those sections in Part 1 which considered the case for reform but deferred the conclusion to Part 2.
3. The objective of the consultation was the collection of evidence in respect of the following five principal subjects:
  - basic pay;
  - contribution-related and role-based pay;
  - officer entry routes;
  - officer career length and pension age; and
  - pay negotiating machinery.
4. Consultees were advised that, as in Part 1, the responses received by the review team would be posted on the review's website in order to stimulate further comment and discussion, and might be quoted or summarised in the final report.
5. Seventy-five formal submissions were received and placed on the review's website [www.review.police.uk](http://www.review.police.uk) (see Appendix 9 for list of submissions received). The review team contacted and conducted oral evidence sessions with a number of consultees following the submission of evidence, in order to clarify or gain a fuller understanding of points raised in the submissions (see Appendix 10 for list of meetings and visits to police forces). The submissions and subsequent oral evidence sessions have been used to inform the analysis conducted in the review, with a number of the submissions being cited in the report.

### Website consultation

6. On 16 June 2011, the review also opened a website consultation for Part 2. The objective of this method of consultation was to provide interested parties – principally police officers and police staff – with an opportunity of providing their views on the issues in Part 2, directly to the review, and in a way which would enable other people using the website to see what had been said, and to respond if they wished.
7. The six questions in the website consultation were:
  1. What are the challenges facing policing in the 21<sup>st</sup> century? How should police officer and staff pay and conditions be reformed to meet these?
  2. How much should police officer basic pay be? What factors should be considered in determining it?
  3. Should any or all of the following have an effect on the pay of police officers and staff: performance, weight of the job, skills, fitness, attendance (non-sickness) or any other issue? If so, how?
  4. What are the advantages and disadvantages of allowing people to join as police officers above the rank of constable?

5. Lord Hutton recommended that the normal pension age of most public sector workers should rise progressively to 68, but it should be set at 60 for police officers and other uniformed services. What are the implications of this on the police service and on individuals?
6. During consultation for Part 1, we learned that some police officers would welcome the opportunity to end their service before the end of their engagement providing there was no financial detriment. How might such an arrangement be financed and facilitated?
8. By 25 July 2011, 2,081 representations had been posted on the website. They were analysed thematically for each of the questions. The results were taken into consideration in the analysis of the issues and the formulation of the recommendations.

### **Seminars**

9. In July 2011, the review held five seminars which were attended by a range of representatives from police forces and staff associations, as well as individuals from other organisations. The Police Federation of England and Wales and the Police Superintendents' Association of England and Wales were invited to each of the seminars. Both declined to do so, explaining that they were heavily engaged in the Police Negotiating Board's consideration of the recommendations in Part 1, and the time could not be found to participate in the Part 2 seminars. The purpose of the seminars was to obtain views on several of the principal issues under consideration in Part 2, and to provoke and facilitate open discussion on them. A separate seminar was held for each of the following five subjects:
  1. Entry routes – 7 July 2012
  2. Career model and ill health – 13 July 2012
  3. Basic pay – 21 July 2012
  4. Post- and performance-related pay – 27 July 2012
  5. Negotiating machinery – 28 July 2012.
10. At the seminars, participants were asked to identify problems with existing approaches and to propose practical solutions to these. Verbatim transcripts were made of each of the seminars, from which comments have been cited in the report. The transcripts were published on the review's website in August 2011. A full list of attendees is included in each of the published transcripts.
11. Two additional seminars were held: on 5 September 2011, a seminar was held on the subject of equality considerations affecting the whole of the review; on 15 November 2012, there was a seminar on the subject of direct entry to senior police officer ranks. No transcripts were made of the discussions at these seminars.

### **Economic study**

12. The review commissioned work to ascertain the appropriate levels of basic and role-based pay, and the 'X-factor' in policing. The work was undertaken by Professor Richard Disney, Professor of Labour Economics at the University of Nottingham. Professor Disney also carried out the review of the remuneration of the police published in Part 1.

The report's objective was to:

- make a detailed assessment of the level of basic pay required to attract and retain the right calibre of officer;
- build upon the comparative study published in Part 1 by assessing the variation in police pay across regions and over time, compared with other public and private sector occupations;

- assess whether or not a version of local market pay is appropriate in the police service; in doing so, to make judgments on how this could be done, and the appropriate amount for each region; and
  - quantify the X-factor needed to compensate police officers for the particular characteristics of policing.
13. Findings of the economic study (see Appendix 3 for the full report) have been used to inform the analysis conducted throughout the review.

### **Performance-related pay literature review**

14. A review of the published literature on performance-related pay was conducted in order to address three main research questions:
1. Is performance-related pay effective in incentivising staff?
  2. What are the features of effective performance-related pay schemes?
  3. Are team-based performance-related pay schemes, or a combination of team and individually based schemes, more effective than solely individual-based schemes?
15. The specific focus of the literature review was on policing, and then the public sector more widely. However, due to the lack of published research in these specific sectors, research on performance-related pay schemes more generally was also included. See Appendix 4 for the report and detailed methodology.

### **Data collections 1, 2, 3, 4 and 5**

16. All 43 police forces in England and Wales were asked to provide data on police staff unsocial hours, senior rank officer pay progression, and officer recruitment. The review team worked with force representatives to determine the most appropriate available data and methods for collecting it. Contact with the forces was initiated via the CIPD Police Forum at a meeting on 13 July 2011, and the data requests were made via an email from the CIPD Police Forum chair, to all forum members, on 18 July 2011.
17. The following items were requested in these data collections.

#### *Police staff unsocial hours*

18. A template was provided to forces to enable them to provide the review team with the following:
- total police staff strength (FTE) by basic salary (basic salary bands aligned to Police Staff Council spine points);
  - the numbers of police staff regularly receiving payments for working at night;
  - the numbers of police staff regularly working variable shifts (in circumstances in which the staff members in question would qualify for allowances of between 12.5% and 20% of pay);
  - the numbers of police staff regularly working irregular hours in circumstances in which the staff members in question would qualify for allowances of between 7.5% and 10% of pay);
  - the costs of payments for night work, variable shifts, irregular hours and weekend work in the financial years 2007/08 to 2010/11;
  - the numbers of police staff, per hour and per salary band, for each hour of two prescribed 24-hour periods, namely Tuesday and Saturday.
19. Twenty-seven forces provided data to the review. These data were then collated into a dataset for analysis.

*Senior rank officer pay progression*

20. A template was provided to forces to enable them to provide the review with the following information:
- the numbers of officers on each of the pay points for each of the following specified ranks: Superintendent, Range 2 Superintendents not given Chief Superintendent rank, Chief Superintendents, and Assistant Chief Constables and Commanders; this was sought in respect of four specified dates covering 2007 to 2010;
  - the proportion of officers (expressed as a percentage) progressing by one, two or another number of pay spine points following their PDRs, for each of the specified ranks above and for each PDR year between 2007 and 2011.
21. Twenty-four forces provided data to the review team. These data were then collated into a dataset for analysis.

*Police officer recruitment – constables*

22. A template was provided to forces to enable them to provide the review with the following information for each financial year between 2007/08 and 2010/11:
- the number of vacancies (entry level constable positions);
  - the number of applicants (entry level constable positions);
  - the number of new entrants to the police service;
  - the number of transfers-in from other forces.
23. Twenty-five forces provided data to the review team. These data were then collated into a dataset for analysis.

*Metropolitan Police Service specialist and royal protection overtime*

24. A template was provided to the Metropolitan Police to enable them to provide the review team with the following for each financial year between 2008/09 and 2010/11:
- the number of officers at constable, sergeant, inspecting and superintending ranks;
  - the cost of overtime at time and a third for each of the above ranks;
  - the cost of overtime at time and a half for each of the above ranks;
  - the cost of overtime at double time for each of the above ranks;
  - for the royal protection officers, the cost of the ‘special escort allowance’ for each of the above ranks.

*Overtime by rank*

25. A template was provided to forces to enable them to provide the following information for constables and sergeants in the financial years between 2007/08 and 2010/11:
- the number of full time equivalent (FTE) officers at constable and sergeant ranks at the end of each financial year;
  - the number of FTEs who worked no overtime;
  - the number of FTEs who worked any overtime at the rate of time and a third;
  - the number of FTEs who worked any overtime at the rate of time and a half;
  - the number of FTEs who worked any overtime at the rate of double time;
  - the number of FTEs who earned more than the average England and Wales overtime that year (£3,266 in 2007/08, £2,959 in 2008/09, £2,751 in 2009/10 and £2,751 in years 2009/10 and 2010/11).

26. Thirty forces provided data to the review team. These data were then collated into a dataset for analysis.

### **Additional data utilised in analysis**

27. The review collated and analysed the following additional data:
- Police Negotiating Board (PNB) 2009 Equal Pay Audit;
  - Local Government Employers' 2009 Survey of Special Priority Payments, payments for exceptional performance & post related allowance: Report of Main Findings;
  - The Chartered Institute of Public Finance and Accounting (CIPFA) Police Actual Revenue Expenditure and Income 2000/01 – 2010/11;
  - National Policing Improvement Agency Examination and Assessment: Police SEARCH Recruit Assessment Centre Annual Results reports 2005/06 – 2009/10.
28. The Home Office Annual Data Requirement (ADR) is a list of all requests made to all police forces in England and Wales using the Home Secretary's statutory powers. Forces submit a variety of data relating to police personnel, such as rank, ethnicity, disability, age, sickness, secondments and promotions. Some of these statistics are published in a Home Office Statistical Bulletin entitled 'Police Service Strength'. Those data not previously published are not verified with forces after submission:
- Home Office ADR 502: Reconciliation (annual, Home Office publication tables). *Broken down by police officer and staff ranks, specials, force, rank, gender, ethnicity, leavers and joiners;*
  - Home Office ADR 513: Age (annual). *Broken down by police officer and staff ranks;*
  - Home Office ADR 521: Joining (quarterly). *Broken down by police officer and staff ranks, gender, and ethnicity;*
  - Home Office ADR 531: Leaving (quarterly). *Broken down by police officer and staff ranks, reason for leaving, gender, and ethnicity;*
  - Home Office ADR 533: Police officer Retirements (annual). *Broken down by force and length of service on leaving;*
  - Home Office ADR 554: Recuperative & Restricted Duties – Police officers (annual). *Broken down by force, restricted headcount and recuperative headcount;*
  - Home Office ADR 581: Leaving/ethnicity (annual). *Broken down by force, officers, staff, and specials, reason for leaving, length of service on leaving, ethnicity, and gender;*
  - Home Office ADR 582: Length of service (annual). *Broken down by police officers, staff and specials, rank, and gender;*
  - Home Office ADR 591: Police officer Promotions (annual). *Broken down by rank, ethnicity, and gender;*
  - Home Office ADR 601: Functions (annual). *Broken down by function, police officer and staff (staff numbers provided from 2004/05) ranks, ethnicity, and gender;*
  - Home Office ADR 611: Police officer Applications (annual). *Broken down by ethnicity, gender, and number of applications sent out and received;*
  - Home Office ADR 631: Fitness Tests (annual). *Broken down by gender, number taking the test, and numbers passing and failing.*

## Appendix 9 – List of Submissions Received

Association of Chief Police Officers  
Association of Chief Police Officers Learning and Development Group  
Association of Chief Police Officers (Scotland)  
Association of Police Authorities  
Association of Police Authority Chief Executives  
Avon and Somerset Constabulary  
Avon and Somerset Police Authority  
Martin Baker, Chief Constable, Dorset Police  
Professor John Brewer, University of Bedfordshire  
British Association of Women in Policing  
British Transport Police  
British Transport Police Authority  
Professor Mike Brogden, Queens University Belfast  
Cambridgeshire Constabulary  
Cheshire Constabulary  
Chief Police Officers' Staff Association  
Confederation of British Industry  
Paul Cunningham, Detective Chief Inspector, Cleveland Police  
Helen Derbyshire, Constable, Personal Safety Training Department, South Yorkshire Police  
Derbyshire Constabulary  
Dorset Police  
Dyfed Powys Police  
Essex Police Authority  
Mr Andrew Gorzynski, retired Inspector  
Greater Manchester Police Authority  
Gwent and South Wales Police  
Hampshire Constabulary  
Hertfordshire Police  
Kevin Jeffrey, Detective Inspector  
Kent Police  
Lancashire Constabulary  
Lancashire Police Authority  
Leicestershire Constabulary  
Leicestershire Police Authority  
Lincolnshire Constabulary  
Lincolnshire Police Authority  
Local Government Group  
Steve Love, Chief Constable, Ministry of Defence Police

Metropolitan Police Authority  
Metropolitan Police Commanders' Association  
Metropolitan Police Inspectors' Branch Board  
Metropolitan Police Service  
National Association of Retired Police Officers  
National Black Police Association  
National Policing Improvement Agency  
Mr Peter Neyroud  
North Yorkshire Police  
Northamptonshire Police  
Northern Ireland Policing Board  
Northumbria Police  
Nottinghamshire Police  
Optimal Performance Ltd  
Police Advisory Board for England and Wales – Fitness testing  
Police Federation of England and Wales  
Police Federation of Northern Ireland  
Police Foundation  
Police Staff Council – Trade Union Side  
Police Superintendents' Association of England and Wales  
Police Superintendents' Association of Northern Ireland  
Prospect  
QCG Consulting  
Mr John Randall, Chair of the Police Negotiating Board  
Reform  
Serious and Organised Crime Agency  
Skills for Justice  
South Yorkshire Police  
South Yorkshire Police Authority  
Staffordshire Police Authority  
Sussex Police  
Thames Valley Police Authority  
Allyn Thomas, Assistant Chief Constable, Kent Police  
UNISON  
Unite  
West Midlands Police  
West Yorkshire Police  
Mr David Williams, Head of Human Resources, Northamptonshire Police

## Appendix 10 – List of oral evidence and visits

The review conducted a series of oral evidence sessions. The review is very grateful to those who provided their time and their thoughts. The principal meetings and individuals are listed below, but this is not exhaustive. As with Part 1, those listed here did not necessarily agree with any of the review's emerging recommendations, but nor were they asked to do so.

### 1. Official Sides of the Police Negotiating Board and Police Staff Council:

#### **Association of Chief Police Officers of England, Wales and Northern Ireland**

Sir Hugh Orde QPM, President  
 Temporary Assistant Chief Constable Gareth Morgan, Chief of Staff  
 Chief Superintendent Robert Price  
 Chief Superintendent Sarah Hamlin  
 Mr David Hays, Workforce Change Manager  
 Inspector Philip Darwent

#### **Association of Chief Police Officers of Scotland**

Chief Constable Justine Curran, Tayside Police  
 Mr Gary Craig – Deputy Director of Corporate Services, Grampian Police

#### **Association of Police Authorities of England, Wales and Northern Ireland**

Mrs Ann Barnes, Chair of the Official Side of the Police Negotiating Board  
 Councillor Malcolm Doherty, Chair of the Official Side of the Police Staff Council  
 Mr Anthony Gibbons, Head of Policy  
 Mr Oliver Shaw, Policy Analyst

#### **Convention of Scottish Local Authorities**

Councillor Allan Falconer

#### **Department of Justice, Northern Ireland Executive**

Mr David Ford MLA, Justice Minister  
 Mr David Hughes, Deputy Director, Policing and Community Safety  
 Ms Kathie Walker, Head of Police HR Policy Branch  
 Mr Walter Myles

#### **Home Office**

The Rt Hon Theresa May MP, Home Secretary  
 The Rt Hon Nick Herbert MP, Minister of State  
 Dame Helen Ghosh, Permanent Secretary  
 Mr Stephen Rimmer, Director-General of the Crime and Policing Group  
 Mr Stephen Kershaw, Director of Policing  
 Mr Andrew Wren, Head of Police Productivity Unit  
 Dr Robert Arnott, Head of Value for Money and Productivity Unit  
 Chief Superintendent John Molloy, Police Transparency Unit  
 Mr Simon Broadhurst, Legal Adviser's Branch  
 Mr David Fox, Legal Adviser's Branch  
 Mr Graham Smith, Legal Adviser's Branch  
 Mr Victor Marshall, Police Powers and Protection Unit  
 Mr Steve Newby, Police Transparency Unit  
 Mr Adnan Obaidullah, Police Transparency Unit  
 Ms Sara Alderman, Police Productivity Unit  
 Ms Sara Aye Mounq, Police Productivity Unit  
 Ms Tara Deshpande, Police Productivity Unit

Mr Stephen Finer, Police Productivity Unit  
Mr Andrew Johnson, Police Productivity Unit,  
Ms Rebecca Pentelow, Police Productivity Unit  
Mr Peter Spreadbury, Police Productivity Unit

### **Official Side Secretariat of the Police Negotiating Board**

Ms Sarah Messenger, Official Side Secretary of the Police Negotiating Board  
Mr Graham Baird

### **Scottish Government**

Mr Kenny MacAskill MSP, Cabinet Secretary for Justice  
Ms Ann Thomson, Head of Police Resources and Performance  
Mr Ewan Swaffield, Policy Manager, Police Workforce

### **Scottish Police Authority Conveners Forum**

Councillor Iain Whyte, Convenor Lothian and Borders Joint Police Board  
Councillor Allan Falconer, Vice-Convenor, Strathclyde Police Authority  
Mr David Higgins, Secretary

## **2. Staff Sides of the Police Negotiating Board and Police Staff Council:**

### **Chief Police Officers' Staff Association for England, Wales and Northern Ireland**

Chief Constable Craig Mackey QPM, Chair  
Assistant Chief Constable Dave Jones, Negotiating Secretary

### **Police Federation of England and Wales**

Sergeant Paul McKeever, Chair and Chair of the Staff Side of the Police Negotiating Board  
Sergeant Ian Rennie, General Secretary and Secretary of the Staff Side of the Police  
Negotiating Board  
Constable Julie Nesbit, Chair of the Constables' Central Committee  
Constable Will Riches, Vice-Chair of the Constables' Central Committee  
Constable Rick Nelson, Constables' Central Committee  
Mr Raj Jethwa, Head of Research

### **Police Federation of Northern Ireland**

Sergeant Terry Spence QPM, Chairman  
Sergeant Stevie McCann, Secretary

### **Police Federation of Scotland**

Constable Calum Steele, General Secretary

### **Police Superintendents' Association of England and Wales**

Chief Superintendent Derek Barnett, President  
Chief Superintendent Irene Curtis, Vice President  
Chief Superintendent Graham Cassidy, National Secretary  
Chief Superintendent Tim Jackson, National Deputy Secretary

### **Police Superintendents' Association of Northern Ireland**

Superintendent Robert Drennan, Vice President  
Chief Superintendent Wesley Wilson, Secretary

**Police Superintendents' Association of Scotland**

Chief Superintendent David O'Connor, President  
Ms Carol Forfar, General Secretary

**Scottish Chief Police Officers' Staff Association**

Deputy Chief Constable Andrew Barker  
Assistant Chief Constable Cliff Anderson

**UNISON**

Ms Carol Nobbs, Chair of the Staff Side of the Police Staff Council  
Mr David Bryant, National Officer  
Mr Ben Priestley, National Officer

**UNISON Scotland**

Mr Raymond Brown, Staff Side Chair of the Police Support Staff Council Scotland  
Mr George Peter Veldon, Staff Side Secretary of the Police Support Staff Council Scotland

**3. Police forces and Police Authorities**

**British Transport Police**

Chief Constable Andrew Trotter QPM

**Cheshire Police**

Chief Constable Dave Whatton  
Ms Nicola Bailey, Human Resources Business Partner

**Civil Nuclear Constabulary**

Chief Constable Richard Thompson  
Mr Richard Cawdron, Legal Advisor  
Mr Philip Leigh, Head of Staffing Services

**City of London Police**

Commissioner Adrian Leppard QPM

**Cumbria Police**

Ms Joanna Bancroft, Director of Personnel and Development

**Devon and Cornwall Constabulary**

Chief Constable Stephen Otter

**Dorset Police**

Mr Graham Smith, Director of Human Resources

**Durham Police Authority**

Mr Peter Thompson, Chair

**Essex Police Authority**

Mr Charles Cochrane

**Greater Manchester Police**

Chief Constable Peter Fahy QPM

**Hampshire Police**

Chief Constable Alex Marshall

**Humberside Police**

Chief Constable Tim Hollis CBE QPM

**Kent Police**

Assistant Chief Constable Allyn Thomas  
Ms Sarah Mott, Reward and Benefits Manager

**Leicestershire Constabulary**

Chief Constable Simon Cole

**Lancashire Police**

Ms Ashley Judd, Head of HR

**Merseyside Police**

Chief Constable Jon Murphy  
Deputy Chief Constable Patricia Gallan  
Assistant Chief Constable Colin Matthews

**Metropolitan Police Authority**

Mr Alan Johnson

**Metropolitan Police Service**

Commissioner Bernard Hogan-Howe QPM, Commissioner from 2011  
Commissioner Sir Paul Stephenson QPM, Commissioner from 2009 to 2011  
Deputy Commissioner Tim Godwin OBE QPM, Deputy Commissioner until 2011  
Assistant Commissioner Lynne Owens QPM, Assistant Commissioner until 2011  
Assistant Commissioner Ian McPherson QPM, Assistant Commissioner until 2011  
Commander Steve Bloomfield  
Mr Paul Buckle, Head of Physical Education  
Mr Kevin Courtney, Head of Pay and Benefits  
Mr Bob Crawley, Head of Health and Wellbeing  
Mr Andy Garrett, Disability Association  
Ms Stephanie O’Sullivan, Senior Finance Manager, Specialist Operations  
Mr Brian Sweeting, Director of Business Services, Specialist Operations  
Ms Sally Waterlow, Ill-Health Pensions Manager  
Constable Damien Smith

**Northern Ireland Policing Board**

Mr Edgar Jardine, Interim Chief Executive  
Ms Joan O’Hagan  
Mr Ronnie Hillen  
Mr Trevor Lunn

**Northumbria Constabulary**

Mr Bernie McArdle, Assistant Chief Officer

**Nottinghamshire Police**

Ms Sharon Ault, Head of Human Resources

### **Police Service of Northern Ireland**

Chief Constable Matt Baggott CBE QPM  
Deputy Chief Constable Judith Gillespie OBE  
Mr Joe Stewart OBE, Director of Human Resources  
Dr Geoff Crowther, Chief Medical Advisor  
Mr John Henderson, Director of Physical and Health Education  
Inspector Chris Reid, Head of Specialist Operations Branch Training  
Mr Niall Johnson, Physical Education Coordinator

### **South Wales Police**

Ms Kathryn Chadd, Head of Human Resources Shared Service

### **South Yorkshire Police**

Ms Lorraine Booth, Head of Human Resources Management

### **Strathclyde Police**

Chief Constable Stephen House QPM

### **Suffolk Constabulary**

Chief Constable Simon Ash

### **Surrey Police**

Chief Constable Mark Rowley QPM  
Mr Paul McElroy, Head of Human Resources  
Ms Dawn Runc, Human Resources Policy and Development

### **Sussex Police**

Deputy Chief Constable Giles York  
Ms Marion Fanthorpe, Human Resources Director

### **Thames Valley Police**

Chief Constable Sara Thornton QPM  
Mr Steve Chase, Director of Human Resources

### **West Mercia Police Authority**

Ms Sheila Blagg, Chair  
Mr Paul Deneen OBE JP DL

### **West Midlands Police**

Chief Constable Chris Sims QPM

### **West Yorkshire Police**

Chief Constable Sir Norman Bettison QPM  
Mr John Hughes, Head of Corporate Human Resources  
Mr Freddie Josland, Engagement and Diversity Manager

## **4. National Police and External organisations**

### **10 Downing Street**

Ms Susan Acland-Hood, Policy Unit

**Advisory, Conciliation and Arbitration Service**

Mr Peter Harwood, Chief Conciliator

**Association of Police Authority Chief Executives**

Ms Jennifer Douglas-Todd, Chief Executive of Hampshire Police Authority

Mr John Bates, Humberside Police Authority

**Boston Consulting Group**

Mr Craig Baker, Partner and former consultant to the Sheehy review

**British Association for Women in Policing**

Ms Pawinder Dale

Ms Tracey Moynihan

Ms Robyn Williams

**Cabinet Office**

Mr Adrian Dottridge, Deputy Director, Pay and Reward

Mr Michael Ring, Civil Service Reward, Efficiency and Reform Group

**Crown Prosecution Service**

Mr Keir Starmer QC, Director of Public Prosecutions

Mr Peter Lewis, Chief Executive

Mark Somerfield, Head of Human Resources

**Ernst and Young**

Mr John Marsh, Business Development Director

**Hay Group**

Mr David Pyper

Mr Peter Smith

**Her Majesty's Inspectorate of Constabulary**

Sir Denis O'Connor CBE, QPM, Her Majesty's Chief Inspector of Constabulary

Mr Steve Corkerton, Head of Workforce

**Institute for Government**

Mr Tom Gash

**KPMG**

Ms Rosemary Scully, Global Lead Partner, Justice and Security

Mr Nicholas Fox, Lead Partner, Home Affairs

Mr Mick Williams, Senior Manager

**London Fire Brigade**

Mr Dominic Johnson, Head of Employment Relations

**Metropolitan Police Disability Staff Association**

Sergeant Andy Garrett, Chair

### **Metropolitan Police Federation**

Constable Dave Bennett, General Secretary of the Metropolitan Police Federation's Constables' Branch Board

### **Ministry of Defence**

Air Commodore Daniel Hill  
Commander Dominic Argent-Hall  
Lieutenant Colonel Andrew Stevenson  
Group Captain Mike Foster  
Group Captain Ian Pollitt  
Dr Peter Griffin  
Ms Gill Martin

### **Ministry of Defence Police**

Chief Constable Steve Love

### **Monitor Quest**

Brigadier (Retired) Dick Andrews OBE

### **National Offender Management Service**

Ms Sarah Lock

### **National Policing Improvement Agency**

Chief Constable Nick Gargan QPM, Chief Executive  
Ms Claire Curneen, Section Head of Police Workforce Policy  
Mr Peter Davis, Leadership Programme  
Dr Lesley Duff, Head of Research Analysis and Information  
Mr Charles Eyre, Principal Psychologist, Examinations and Assessment  
Ms Merielle Ghali, Policy and Strategy Manager, Workforce Strategy Unit  
Mr Michael Goodwin, Senior Leadership Advisor for the Strategic Command Course  
Ms Linda Harpley  
Ms Patricia Hughes, Librarian  
Ms Sarah Hughes, Workforce Change Manager  
Mr Ciaran McGuigan, Head of Examinations and Assessment  
Ms Nicky Miller  
Ms Jo Noakes, High Potential Development Scheme and Graduate Scheme  
Mr Charles Phelps, Head of Leadership Services and Leadership Development  
Mr Gordon Ryan, Principal Psychologist, Examinations and Assessment  
Ms Helen Scofield, Head of Learning and Development  
Dr Rachel Tuffin, Head of Research  
Mr Stuart Villers  
Ms Laura Welsh, Workforce Change Manager

### **Office of Manpower Economics**

Mr Bill Blase

### **Police Negotiating Board and Police Advisory Board of England and Wales**

Mr John Randall, Independent Chair

### **Policy Exchange**

Mr Blair Gibbs, Head of Crime and Justice Unit  
Mr Edward Boyd, Research Fellow

### **Public and Commercial Services Union**

Mr Mike Rigby  
Mr Richard Rooney

### **QCG Consulting Ltd**

Mr Alan Hurst, Partner  
Mr Nicholas Neish

### **Royal Air Force**

Group Captain Lorraine Pemberton  
Wing Commander John Stanfield

### **Reform**

Mr Andrew Haldenby, Director  
Mr Dale Bassett, Research Director

### **Serious and Organised Crime Agency**

Mr Trevor Pearce, Director General  
Mr Malcolm Cornberg, Chief Operating Officer

### **University of Bedfordshire**

Professor John Brewer, Professor of Sport and Director of Sport

## **5. Individuals**

The Rt Hon Charles Clarke, Home Secretary 2004 to 2006  
The Rt Hon Lord Howard of Lympne QC, Home Secretary, 1993 to 1997  
Mr Shabir Hussain, former Commander in the Metropolitan Police Service  
The Lord Wasserman of Pimlico, Adviser to Her Majesty's Government on policing and criminal justice  
The Rt Hon Lord Stevens of Kirkwhelpington KStJ QPM DL FRSA, Commissioner, Metropolitan Police Service 2000-2005

### **High Potential Development Scheme officers:**

Chief Inspector Nicholas John  
Inspector Katy Barrow-Grint  
Inspector Robert France  
Sergeant Sarah Baker  
Sergeant Daniel McKnight  
Sergeant Stephen Moore  
Sergeant Louise Tompkins  
Sergeant Heather Whoriskey  
Constable Jonathan Evans  
Constable Tor Garnett

### **Local Government Group**

Mr John Sutcliffe, Workforce Policy and Strategy

### **NHS Employers**

Mr Geoff Winnard, Head of Agenda for Change

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## Appendix 12 – List of figures and tables

### Figures

#### Summary

- Figure S.1 Office for Budget Responsibility projections of Public Sector Net Debt from 2015 to 2061
- Figure S.2 In-year change to police expenditure (£ millions) from review’s recommendations in 2011/12 to 2017/18
- Figure S.3 Full Time Equivalents in functions by officers/PCSOs/staff in 2010/11

#### Chapter 1 – Future Challenges

- Figure 1.1 Number of crimes per year in England and Wales, identified by the British Crime Survey and police recorded crime
- Figure 1.2 Real terms adjusted total police funding (£bn)
- Figure 1.3 Office for Budget Responsibility projections for Total Expenditure and Public Receipts, as a percentage of Gross Domestic Product, 1985 to 2017
- Figure 1.4 Office for Budget Responsibility projections of Public Sector Net Debt as a percentage of GDP, from 2015 to 2061
- Figure 1.5 Prevalence of obesity (Body Mass Index) in male and female adults, as a percentage of population in England: 1980, 1993 to 2006
- Figure 1.6 Period life expectancy for those reaching age 60 – England and Wales, 2008-based principal projection

#### Chapter 3 – Entry Routes

- Figure 3.1 A typical recruitment process
- Figure 3.2 Number of candidates attending and successful at Police SEARCH
- Figure 3.3 Police SEARCH success rates, by gender
- Figure 3.4 Police SEARCH success rates, by ethnicity
- Figure 3.5 Police SEARCH success rates, by age group
- Figure 3.6 Police SEARCH success rates, by highest qualification held
- Figure 3.7 Percentage of police officers at each rank (excluding secondees)
- Figure 3.8 Average progression time from constable to chief officer
- Figure 3.9 Average time as a police constable for chief officers
- Figure 3.10 Percentage of chief officers at different qualification levels
- Figure 3.11 Prison Service operational ranks as a percentage of total personnel as at 30 June 2011
- Figure 3.12 Fire Service strength (FTE) by role as a percentage of total ‘wholetime’ personnel at 31 March 2011
- Figure 3.13 British Army ranks as a percentage of total personnel as at 1 April 2011
- Figure 3.14 Direct Entry (Inspector) scheme outline
- Figure 3.15 Police officer numbers at the ranks from inspector to ACPO
- Figure 3.16 Number of superintendents including direct entry at superintendent rank

#### Chapter 4 – Promotion

- Figure 4.1 Median length of service for officers new to rank (years)
- Figure 4.2 Number of officers promoted to sergeant rank per year, by gender and ethnicity
- Figure 4.3 Number of officers promoted to inspector rank per year, by gender and ethnicity
- Figure 4.4 Number of officers promoted to chief inspector rank per year, by gender and ethnicity
- Figure 4.5 Number of officers promoted to superintendent rank per year, by gender and ethnicity

Figure 4.6 Number of officers promoted to chief superintendent rank per year, by gender and ethnicity

Figure 4.7 Number of officers promoted to ACPO rank per year, by gender and ethnicity

## **Chapter 5 – Health and fitness**

Figure 5.1 Officers on recuperative duty 2002/03 to 2010/11

Figure 5.2 Officers on restricted duties 2002/03 to 2010/11

Figure 5.3 Ill-health retirements as a percentage of officer strength (FTE)

Figure 5.4 Numbers of ill-health retirements, restricted duty and recuperative duty officers

## **Chapter 6 – Managing the Officer Workforce**

Figure 6.1 Dismissed officers: number and percentage of officer strength

Figure 6.2 Police officers (including probationers) by length of service in 2010/11

Figure 6.3 The armed services: managing the ‘manning pipeline’

Figure 6.4 Office for Budget Responsibility projections of Public Sector Net Debt from 2015 to 2061

Figure 6.5 Gender and ethnicity in the constable rank, by length of service 2010/11

## **Chapter 7 – Basic Pay**

Figure 7.1 Proportion of officer overtime worked by rate in London and non-London forces

Figure 7.2 Proportion of public order incidents in London and non-London forces

Figure 7.3 Proportion of time spent on public disorder events, London and all forces

Figure 7.4 Proportion of time spent on special operations, London and all forces

Figure 7.5 Current and proposed constables’ pay scales

Figure 7.6 Gender and ethnicity in the constable rank by length of service

Figure 7.7 Detention officer basic pay in various police forces.

Figure 7.8 PCSO basic pay in various police forces.

Figure 7.9 Cost of police staff basic pay.

Figure 7.10 Officers on restricted duties 2002/03 to 2010/11.

Figure 7.11 Unemployed by region, June to August 2011, seasonally adjusted.

Figure 7.12 Percentage of working age population with no qualification, 2009.

Figure 7.13 Workforce jobs by broad industry groups, June 2011, seasonally adjusted.

Figure 7.14 Median gross hourly earnings by region, all full-time employees.

Figure 7.15 Average weekly earnings (£) by police authority area of work relative to average police pay, 2010.

Figure 7.16 Average weekly earnings (£) by police authority area of residence relative to average police pay, 2010.

Figure 7.17 Police officer “wastage rates” by selected police forces (%).

Figure 7.18 Minimum pay of trainers and average pay: all occupations, 2010.

Figure 7.19 Minimum pay of coroner’s officers and average pay: all occupations, 2010.

Figure 7.20 Number of forces paying market supplements for specific roles, 2010.

Figure 7.21 Potential regional pay model.

Figure 7.22 Net transfers in and out of London and south east forces, 2004/05 to 2010/11.

## **Chapter 8 – Appraising Performance**

Figure 8.1 An illustration of ‘at risk’ pay

## **Chapter 9 – Role Based Pay**

Figure 9.1 Full time equivalents by functions by officer/PCSO/staff in 2010/11

Figure 9.2 ACPO’s police lattice of progression

Figure 9.3 ACPO’s Professional Body

Figure 9.4 Cost of officer overtime: by rate

Figure 9.5 Proportion of officer overtime hours worked: by rate

Figure 9.6 Average overtime per sergeant (including NIC)

- Figure 9.7 Proportion of federated ranks working unsocial hours  
 Figure 9.8 Police staff hours of work (weekends)  
 Figure 9.9 Police staff hours of work (weekdays)  
 Figure 9.10 Unsocial hours (police staff total spend 2010/11)  
 Figure 9.11 Comparative spend (100% uplift per unsocial hour)

### **Chapter 10 – Negotiating Machinery**

- Figure 10.1 Number of decisions reached by PNB, 2000-2011  
 Figure 10.2 Surrey Police and UNISON Surrey Branch’s dispute resolution procedure, as a flow chart

## **Tables**

### **Summary**

- Table S.1 Recommended constable pay scale

### **Chapter 1 – Future Challenges**

- Table 1.1 International comparison of trends in police numbers and recorded crime between 1998 and 2007

### **Chapter 3 – Entry routes**

- Table 3.1 Educational attainment of recruits aged 19 and over in 1959  
 Table 3.2 SEARCH Numerical reasoning test sample questions  
 Table 3.3 SEARCH Verbal logical reasoning test sample questions  
 Table 3.4 Police SEARCH candidates in 2009/10 by sex  
 Table 3.5 Police SEARCH candidates in 2009/10 by age  
 Table 3.6 Police SEARCH candidates in 2009/10 by ethnicity  
 Table 3.7 Proportion of candidates and successful candidates at Police SEARCH in 2009/10 by qualification held  
 Table 3.8 Police SEARCH success rates between 2007 and 2010, classified according to gender and ethnic background  
 Table 3.9 Attainment rates of different qualification levels in 2008 and in 2010  
 Table 3.10 Highest qualifications held by adults of working age, by gender, age and region in 2010  
 Table 3.11 Percentage of people aged 19 to 59 (females) and 19 to 64 (males) with each qualification level in 2007  
 Table 3.12 Diversity at chief officer ranks  
 Table 3.13 Percentage of candidates attending senior PNAC by academic attainment  
 Table 3.14 Percentage of candidates successful at senior PNAC according to their highest level of academic achievement  
 Table 3.15 Progression of the first cohort of the High Potential Development Scheme, 1 October 2011  
 Table 3.16 Characteristics of successful senior PNAC candidates between 2007 and 2010 (and success rate)  
 Table 3.17 Characteristics of strategic command course delegates 2007 to 2012  
 Table 3.18 Number of passes and failures at the strategic command course as a percentage of those attending the course  
 Table 3.19 Number of successful strategic command course delegates in securing Assistant Chief Constable and Commander positions as of September 2011  
 Table 3.20 Outline statistics of the 2010/11 intakes at the Royal Military Academy Sandhurst  
 Table 3.21 Salary expectations of a successful external member of the Direct Entry (Inspector) scheme  
 Table 3.22 Attainment rates of different qualification levels as a percentage of the population in England and Wales

Table 3.23	Highest qualifications held by adults of working age by gender age and region in 2010
Table 3.24	Percentage of people aged 19 to 59 (females) and 19 to 64 (males) with each qualification level in 2007
Table 3.25	Outline of the proposed scheme for direct entry superintendents
Table 3.26	Costs for the Police Professional Body per Direct Entry (Superintendent) scheme member

## Chapter 5 – Health and fitness

Table 5.1	Summary of the current and recommended minimum fitness standards for specialist roles
Table 5.2	Body Mass Index – Metropolitan Police ‘health check’ results and the results of the general population (as a percentage)
Table 5.3	Fitness of the general population: average (50 <sup>th</sup> percentile)
Table 5.4	Fitness of the general population: above average (70 <sup>th</sup> percentile)
Table 5.5	Success rates at the West Midlands Police initial recruitment physical competence assessment between 13 July 2009 and 7 July 2010
Table 5.6	Thames Valley Police – Category and length of restriction for officers prevented from having contact with the public
Table 5.7	Summary of benefits of current police pension schemes
Table 5.8	Mean and median retirement ages for police officers 31 March 2005 to 31 March 2008
Table 5.9	Average age of retirement of police officers in the Metropolitan Police
Table 5.10	Medical retirement pensions: illustrative case studies

## Chapter 6 – Managing the Officer Workforce

Table 6.1	Probationary officer dismissals
Table 6.2	Examples of other public sector redundancy schemes
Table 6.3	Armed services commissions and engagements

## Chapter 7 – Basic Pay

Table 7.1	Constable salaries
Table 7.2	Sergeant salaries
Table 7.3	Inspector salaries
Table 7.4	Chief inspector salaries
Table 7.5	Public sector departures into private sector employment 2006-2009
Table 7.6	Cost of salaries for Federated ranks 2010/11 financial year
Table 7.7	Constables at the pay maximum by gender and ethnicity
Table 7.8	Proportion of female and BME constables at the pay maximum
Table 7.9	Rank breakdown in POU: Metropolitan Police Service
Table 7.10	Rank breakdown in POU: All other forces in England and Wales
Table 7.11	Starting salary and entry requirements in comparable public sector occupations
Table 7.12	Recommended constable pay scale
Table 7.13	Effect on pay progression of removing pay points 6, 7 and 9
Table 7.14	In-year net change in £ millions, 2013/18
Table 7.15	Cumulative net change in £ millions
Table 7.16	First 11 years’ earnings on the current constable pay scale
Table 7.17	First 11 years’ earnings on the recommended constable pay scale for entrants without a policing qualification
Table 7.18	First 11 years’ earnings on the recommended constable pay scale for entrants holding a policing qualification
Table 7.19	Effect of recommended pay scale on constables’ first 11 years’ earnings
Table 7.20	Estimated gender and ethnicity of new recruits in 2014/15

Table 7.21	Comparison: ethnicity and gender of new recruits, recruits 2004/05 – 2014/15, and all serving constables in 2014/15
Table 7.22	Difference in earnings over first five years of service between recruits who start on pay point 0 and pay point 1
Table 7.23	PCSOs gender mix
Table 7.24	BME PCSOs
Table 7.25	Special constables gender mix
Table 7.26	BME special constables
Table 7.27	Estimated gender and ethnicity of new recruits in 2014/15
Table 7.28	Effect of the removal of three pay points from the constables' pay scale
Table 7.29	Ethnicity and gender mix of groups which benefit from the removal of pay points
Table 7.30	Recommended sergeant pay scale
Table 7.31	Size of salary gap between the maximum and minimum of successive pay scales
Table 7.32	Superintendent salaries
Table 7.33	Chief superintendent salaries
Table 7.34	Assistant Chief Constable salaries
Table 7.35	Number of applicants for DCC vacancies in England and Wales: 2007 - 2011
Table 7.36	Cost of salaries for superintending, ACC and DCC ranks
Table 7.37	Recommended pay scale for superintendents
Table 7.38	Comparison of superintendent earnings over five years on the current and recommended pay scales
Table 7.39	Recommended pay scale for chief superintendents
Table 7.40	Transitional arrangements for the movement of chief superintendents on to the recommended pay scale
Table 7.41	Recommended pay scale for Assistant Chief Constables
Table 7.42	Effect of removing pay points 1,3 and 5 from the ACC pay scale
Table 7.43	Commissioner, Assistant and Deputy Assistant Commissioner salaries
Table 7.44	Chief Constable and Deputy Chief Constables salaries
Table 7.45	Senior salaries in the public sector
Table 7.46	Average number of applicants for Chief Constable vacancies by year, 2007-11
Table 7.47	Average number of applicants for Chief Constable vacancies by force size, 2007-11
Table 7.48	Police Staff Council 2010/11 pay scale.
Table 7.49	Summary of Metropolitan, City of London, Kent and Surrey police staff pay spines.
Table 7.50	Selected police service occupations; earnings and comparisons.
Table 7.51	Conceptions of the X-factor in reviews of police officer remuneration.
Table 7.52	Comparison between the components of the X-factor in policing and other occupations.
Table 7.53	Positive factors identified by the Royal Commission, and their applicability to police staff.
Table 7.54	ACPO's suggested list of components of the police officer's X-factor.
Table 7.55	The APA's suggested list of components of the police officer's X-factor.
Table 7.56	Value of the deployment element of the X-factor at each point on the recommended pay scale.
Table 7.57	Number of forces that pay police staff groups market supplements.
Table 7.58	Examples of London and south east allowances at nation-wide private sector and public sector employers.
Table 7.59	Locality pay in the prison service.
Table 7.60	Ministry of Justice pay structure as of 1 August 2010, maximum pay rates for administrative and junior management roles.
Table 7.61	Police officer transfers from south east forces to the Metropolitan Police Service.
Table 7.62	Gender and ethnicity of officers in receipt of regional allowances.
Table 7.63	Recommended rate of reimbursement of constable training costs.

## Chapter 8 – Appraising Performance

Table 8.1	Superintending ranks and ACC double increments
Table 8.2	Superintending ranks', ACCs' and DCCs' bonus payments in 2008/9
Table 8.3	Chief Constable bonuses in 2008/9
Table 8.4	Reasons given for making bonus payments to staff
Table 8.5	Reasons for accelerating staff pay progression
Table 8.6	Reasons for delaying staff pay progression

## Chapter 9 – Role Based Pay

Table 9.1	Average SPP awarded (£) by male and female officers
Table 9.2	Purpose of implementing job family
Table 9.3	Market supplements for staff roles (by type)
Table 9.4	Broad band pay structure – 1 September 2010 to 31 August 2011, police staff excluding ICT technical staff
Table 9.5	Annual Data Return policing areas that employ 10-75% Federated officers
Table 9.6	Specialist Skills Threshold – policing activities
Table 9.7	Constable rank pay points
Table 9.8	Recommended overtime system for Federated officers
Table 9.9	England and Wales overtime spend for constables and sergeants, 2007/8-2010/11 (£millions)

## Chapter 10 – Negotiating Machinery

Table 10.1	Reproduction of the criteria used and assessed by Sir Clive Booth, 2007
Table 10.2	Membership of the Police Negotiating Board
Table 10.3	Meetings and number of attendees for PNB committees and working parties in 2010/11
Table 10.4	Meetings and number of attendees for full PNB in 2010/11
Table 10.5	Membership of the Police Staff Council
Table 10.6	Membership of the Police Advisory Board of England and Wales

## Chapter 11 – Conclusions

Table 11.1	Total costs and savings arising from the Part 1 and Part 2 recommendations for financial years 2012/13 to 2017/18
Table 11.2	Example A - Response constable with four years' service and public order Level 2 accreditation, who regularly works a rotating eight-hour shift on a four team basis
Table 11.3	Example B – Neighbourhood police constable with 10 years' service who has been in the Neighbourhood Policing team for more than three years
Table 11.4	Example C – Detective constable with 25 years' service and PIP Level 2 accreditation, who regularly works late shifts (working unsocial hours) and is expected to perform on-call duties 80 times a year. He also receives the pre-1994 housing allowance and previously received a CRTP payment
Table 11.5	Example D – 25 years' service constable in a middle- or back-office function who previously received a £1,500 SPP and a CRTP. He does not work unsocial hours, or overtime, is never on-call, and does not use critical skills which would be eligible for the Expertise and Professional Accreditation Allowance, or the Specialist Skills Threshold from 2016 onwards. He also receives the pre-1994 housing allowance. During 2016/17 he goes on to restricted duties and remains on them in 2017/18

## Appendix 13 – Policy Equality Statement

1. In accordance with section 149 of the Equality Act 2010, this review has had due regard to the need to:
  - eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
  - foster good relations between people who share a protected characteristic and people who do not share it.
2. For the purposes of this report, the Equality Act 2010 states that the equality duty covers the following protected characteristics:
  - age;
  - disability;
  - gender reassignment;
  - pregnancy and maternity;
  - race – this includes ethnic or national origins, colour or nationality;
  - religion or belief – this includes lack of religion or belief;
  - sex; and
  - sexual orientation.
3. The latest good practice internal guidance from the Home Office for demonstrating due regard recommends the formal retention of evidence to record the review’s equality considerations, as part of the public sector equality duty, but without a pre-scripted process. This negates the need for an equality impact assessment and has the benefit of ensuring that equality considerations are considered throughout, and evidenced as being a detailed part of the policy formulation and not a standalone exercise. Indeed, the Government Equalities Office’s latest guidance to public sector organisations specifically stated that:
 

*“The new Equality Duty should be applied in such a way as to reverse the overly-bureaucratic and burdensome approach often used under the previous duties, so that the focus is on performance not process. The Equality Duty does not impose a legal requirement to conduct an Equality Impact Assessment. Nor is there any practical need to conduct one. Compliance with the Equality Duty involves consciously thinking about the three aims of the Equality Duty as part of the process of decision-making”<sup>1</sup>.*
4. The review has consciously considered the implications for equality matters in the Analysis and Conclusion sections of each Chapter, rather than in a separate annex. The purpose of this Appendix is therefore to guide the reader to the more detailed discussion of equality matters within the main report itself.
5. Throughout the process of research, consultation, policy development and drafting of this report the review has complied with its duty under section 149 of the Equality Act 2010. In particular, within its June 2011 consultation document the review specifically asked consultees to consider equality matters in all of their responses. Section 5.6 on page 28 of the consultation document said:
 

*“Please ensure that when answering the questions, you provide your assessment of the implications for the protected characteristics specified in the Equality Act 2010 and what could be done to mitigate these”<sup>2</sup>.*

<sup>1</sup> *Equality Act 2010: Public Sector Equality Duty: What do I need to know? A quick start guide for public sector organisations*, Home Office, London, June 2011, page 8

<sup>2</sup> *Consultation for Part Two*, Review of remuneration and conditions of police officer and staff, 16 June 2011, page 28

6. Moreover, a dedicated seminar was held on 5 September 2011 to discuss equality matters. Invitations were sent to all of the principal equality representative bodies working within policing. The views of consultees and seminar attendees were subsequently taken into account in the policy formulation of the recommendations. Although this review can only make recommendations, and it is for others to accept and implement them, the review is confident that it has done all it can to assess the impact on protected characteristics and provide objective justification where there is an overriding need for reform.
7. The review is not the employer of those on whom the recommendations would, if implemented, have an effect. It is police forces and authorities themselves that have direct access to the best data on their officers and staff. The review has used the best available national data and drawn upon other research, its own data surveys and assumptions to ensure that it is confident that the likely impact on those with protected characteristics has been sufficiently considered. Many of the review's recommendations, if accepted in principle, will be scrutinised through the relevant negotiating machinery needed to implement them, so there will be a further opportunity for consultation on the equality issues raised. Indeed, a number of the recommendations would require the police service to conduct a further review of the issues, or the effect that implementation has had on protected characteristics, after a particular time period. This is because the equality duty is a continuing duty.
8. The review makes recommendations which, if implemented, will better equip the police service to face new and unforeseen challenges in the future. These may include changes in crime trends, political accountability, the fiscal climate and demographic trends in the population from which the police service recruits. The recommendations will provide a Chief Constable with the tools to attract and recruit high calibre candidates with different skills and experiences, to maintain operational resilience by maximising the deployment of fit and healthy officers and to manage his officer numbers according to need.
9. A summary of the key recommendations and evidence considered in demonstrating compliance with the public sector equality duty is set out below. In each case, the reader is advised to refer to the more detailed description, data, analyses and justifications provided in the main body of the report.

## Description of Recommendations

### Chapter 3

Recommendation 3 – From April 2013, an additional qualification should be added to the list required for appointment to a police force in Regulation 10 of the Police Regulations 2003. Candidates eligible for appointment to a police force should have either a Level 3 qualification, or a police qualification which is recognised by the sector skills council, Skills for Justice, or service as a special constable or service as a PCSO (or another staff role which the chief officer is satisfied provides appropriate experience). The chief officer should have a discretion in relation to which of these criteria should apply to applicants for entry to his force.

10. Recommendation 3 ensures that the police service has the capacity to meet new challenges and introduces an eligibility criterion which reduces the risk of police forces being overwhelmed by prospective applicants or introducing arbitrary strategies to reduce numbers.
11. The effect on the 2007 to 2010 cohort of candidates at SEARCH of introducing an A-level or equivalent qualification criterion would have been to improve the performance of male and black and minority ethnic candidates. The adverse impact ratio between men and women is 89.2% for the 2007 to 2010 cohort as a whole, that is men were just over ten *per cent* less likely to be successful than women. When considering only those candidates with at least a Level 3 qualification, this gap narrows slightly (by two *per cent*). The adverse impact ratio between people from white and black and minority ethnic backgrounds is 75.3% for the whole cohort, that is those from black and minority ethnic backgrounds were around 25% less likely

to be successful than those from white backgrounds. With a Level 3 qualification, this gap also closes slightly, by 1.5% to 76.9%. This shows that introducing a Level 3 requirement will have a positive impact on the SEARCH process, narrowing the success gap between men and women and between those from different ethnic groups. It should be noted that there is no guarantee that this narrowing will translate into those actually appointed.

12. Some candidates will have obtained their educational qualifications overseas. No nationally established mechanism exists for recognising the equivalence of overseas qualifications, so such candidates will need to prove the worth of their qualifications and forces will need to judge on a case-by-case basis whether a candidate's qualifications fulfil the educational criterion. As the entry requirement is being set at Level 3, the level normally required to enter tertiary education in England and Wales, it is likely that the equivalent would be the qualification used as an indication of achievement before entering tertiary education in that particular country.
13. To focus solely on academic qualifications might disadvantage older candidates who are more likely to have been away from formal education for a number of years. This rich pool of more mature applicants must not be disadvantaged by these changes. Therefore, there should be other qualification routes for people to be eligible to apply to the police force. A number of forces already require candidates to meet pre-entry requirements. These can be academic qualifications or experiential criteria, notably service as a PCSO or special constable. Further data can be found in the background and analysis sections of Chapter 3.1.

Recommendation 5 – The passmark for the 2013 SEARCH assessment process should be raised to at least 70%. This should be reviewed after five years to ensure that the academic threshold is sufficiently rigorous.

14. Recommendation 5 allows forces to identify and choose the best candidates. Taken together, a change to the pass rates and new minimum eligibility criteria should produce a recruitment process that allows forces to identify and choose the best candidates, which should result in a better calibre of officer being appointed. The review recommends that the effect of this change on protected groups is monitored by the appropriate body. Further data can be found in the background and analysis sections of Chapter 3.1.

Recommendation 8 – From August 2013, a national Direct Entry (Inspector) scheme should be established with the objective of improving police leadership and offering rapid training and promotion to individuals of high ability and capacity. It should be run by the Police Professional Body with the co-operation of police forces. The intake should be set annually, with at least 80 participants in each intake. Around half of the scheme members should be external graduates and half in-service officers and police staff members. The scheme should be rigorous and highly selective.

15. Under Recommendation 8, around 80 existing officers, external graduates and police staff each year will receive the training and support to rise from constable to inspector in three years.
16. The difference between the proportion of men (34%) and women (36%), and those from white (30.6%) and ethnic minority backgrounds (32.5%) with a degree or other Level 4 qualification, is small, although there is significant variation between different non-white groups. Introducing a graduate-entry scheme should not therefore disproportionately disadvantage certain groups. The Policing Professional Body should monitor the assessment process and the success of scheme members during the programme, for any disproportionate effects on groups with protected characteristics. It may prove necessary to alter elements of the marketing or the scheme if a disproportionate effect is established. Further information can be found in the conclusion section of Chapter 3.2.

Recommendation 19 – A national scheme for recruitment directly to the rank of superintendent should be established and brought into operation from September 2013. Participation in the scheme should be at the discretion of the chief officer. The scheme should last 15 months. Participants on the scheme should be persons of exceptional achievement and ability who have been assessed as having the potential to be senior police officers. They should be paid as superintendents on the lowest pay scale whilst on the course. The knowledge, skill and experience required for them to operate competently and confidently as full superintendents should be delivered through a mixture of in-force training and an 18-week course of instruction at the police college.

17. The aim of Recommendation 19 is to encourage outstanding individuals from other occupations to join the police service.
18. The opportunity to increase the number of female and black and minority ethnic superintendents by broadening the pool is real. The current chief inspector cohort from whom superintendents are almost all drawn is overwhelmingly male and white. Male officers currently make up 1,599 of the 1,889 chief inspectors, or 84.6%. Only 3.5% of chief inspectors are from black and minority ethnic backgrounds. The review recognises that this is likely to change over time. Women and officers from black and minority ethnic backgrounds have made up a greater proportion of recruits over the past decade than previously, and as these officers rise through the ranks, representation of black and minority ethnic and female officers is likely to increase. The review believes that opening up the superintendent rank to people who have pursued any lawful career, so long as they meet the appropriate standard, is justifiable. In the short to medium term, it should increase the recruitment pool for protected groups who are currently under-represented in the feeder ranks for superintendents. The senior prison management programme, until recently operated by the National Offender Management Service, had a similar recruitment profile of exceptional senior leaders and managers who passed through an extremely competitive process to join an operational scheme. Between 2006 and 2010, 56% of entrants were female and 15% were from black and minority ethnic backgrounds. This suggests that such a scheme in the police could well improve representation at senior ranks of protected groups. Further information can be found at the background and analysis sections of Chapter 3.2.

### *Chapter 5*

Recommendation 33 – A fitness test should be introduced in September 2013 for all police officers and staff required to undertake personal safety training. Participants should be required to attain level 5:4 on a 15-metre shuttle run. From September 2014, those who fail the test three times should be subject to the appropriate disciplinary procedures.

19. Recommendation 33 would require the fitness testing of all police officers (and relevant staff) to ensure that they are sufficiently physically fit to carry out their duties safely.
20. The initial fitness test that the review recommends is justifiable because it is job-related, being based on the physical effort required to complete personal safety training which all officers, and some police staff, take annually. The test is gender and age neutral. It places the same physical demands on all individuals. Evidence shows that the test standard (completing level 5:4 on a 15-metre shuttle run) does not have a disproportionately detrimental effect on people on the grounds of age or sex. A man in the 50th percentile would be expected to have a VO2 max which exceeds, by a large margin, that required by the test well in to his 60s. A woman in the 50th percentile would be expected to pass the test until she reached her 60s. After that, a woman of above average fitness (in the 70th percentile) would still be expected to pass the test.
21. There are certain groups for whom mitigating action would need to be taken. Women returning from maternity leave would need time to regain their fitness before taking the test, as would those returning from illness, injury or certain medical treatments. Officers and staff with a hearing impairment, or another medical reason which would prevent them from running

the shuttle run test, would need to have an appropriate alternative provided, for instance the ‘Chester test’ in which a treadmill or ‘straight line’ test is offered to measure cardiovascular fitness. Those who are unable to take the test for reasons of illness, injury or disability would also be referred to occupational health departments for advice and assistance or further action. Those who fail the fitness test should receive advice and assistance on improving their fitness commensurate with their fitness standard, and have two further attempts to pass the test.

22. Forces should take care to treat appropriately those who are assessed as unable to pass the test because of a health condition or problem. It could be as a result of a disability under the Equality Act 2010. Subject to medical advice and a risk assessment, this is likely to include placing the individual on restricted duty, in a role appropriate for his disability, and in respect of which reasonable adjustments have been made. Further information can be found in the background and analysis sections of Chapter 5.1.

Recommendation 34 – From September 2018, an annual physical fitness test should be introduced for all police officers in England and Wales, equivalent to the test used for recruits in the Police Service of Northern Ireland.

23. Recommendation 34 would require the fitness testing of all police officers (and relevant staff) at a more stringent level to ensure that they are physically capable of coping with the physical demands placed on a police officer, and some members of staff.
24. The review recommends that a more stringent test should be introduced from September 2018. As the model, the test used by the Police Service of Northern Ireland, has only been used for recruits, there are few data on the effect of the test on older people in particular. Further research would be needed in this respect. This will be assisted by the results of research into the VO2 max required to pass the physical competence test currently being undertaken in Northern Ireland. Further information can be found in the background and analysis sections of Chapter 5.1.

Recommendation 39 – From September 2014, officers on restricted duty should have their deployability and capability to exercise police powers assessed one year after being placed on restricted duty. Officers who are not deployable and are not capable of work which requires the office of constable should sustain a reduction in pay equal to the value of the deployability element of the X-factor, namely the lower of eight *per cent* and £2,922 *per annum*. After a further year, appropriate proceedings should be initiated to dismiss or retire these officers from the police service on the grounds of incapability or poor attendance. Officers who are permanently disabled from working as police officers should be ill-health retired. Those who are not permanently disabled should be given the opportunity to resign as police officers and immediately take up a police staff job on police staff terms and conditions, if one is available.

25. Recommendation 39 balances the requirements of the organisation to remain resilient and serve the public, with fair treatment of officers who become sick or injured.
26. In brief, after a year on restricted duty, officers who are for some reason not capable (and are not carrying out) a role requiring the powers of the office of constable should have the proportion of their salary corresponding to the deployability element of the X-factor removed. After a year, and if matters have not improved to allow the individual to return to full duties, he should be assessed for ill-health retirement. An officer assessed as permanently disabled for the ordinary duties of a member of the police force should be ill-health retired. An officer who does not meet the criteria for ill-health retirement should be offered a police staff role on police staff terms as a reasonable adjustment. If this is not accepted, or such a role is not available, the force should take the appropriate steps which may lead to the dismissal of the officer on grounds of lack of capability or attendance. An officer who is dismissed following this process should be made a further offer of a police staff role. In recognition that an individual’s circumstances might subsequently change, such former officers should have the right to be considered for a return to the force as an officer if they are subsequently able to perform the duties of a police officer.

27. Throughout this process, forces will need to comply with their duty under section 20 of the Equality Act 2010 to make reasonable adjustments for disabled employees (which for the purposes of the Act includes police officers) to avoid putting them at a disadvantage in comparison with non-disabled people. What constitutes a reasonable adjustment will depend on the individual circumstances in each case. Further information can be found in the background and analysis sections of Chapter 5.2.

### *Chapter 6*

Recommendation 46 – The Police Regulations 2003 should be amended to create a system of compulsory severance for police officers with less than full pensionable service from April 2013.

28. This is to give forces greater flexibility in managing their workforce. Compulsory severance should be monitored to ensure that those with protected characteristics under the Equality Act 2010 are not adversely affected. Further information can be found in the background and analysis sections of Chapter 6.1.

### *Chapter 7*

Recommendation 54 – A new, shorter pay scale for constables should be introduced from April 2013 as outlined in Table 7.12 of this report. It should have a lower starting salary than the current scale, but should allow constables to move to the maximum more quickly.

29. The data show that there may be a small disproportionately adverse impact on female white constables, as they will make up a slightly larger proportion of the 2014/15 recruits (who will be paid according to the new pay scale) than they do the total constable workforce (31% as opposed to 29%). However, the difference is a small one, at just two percentage points. If the more recent comparator group is used, there is no disproportionate adverse impact.
30. Male BME candidates may suffer a small disproportionate adverse impact, with a difference of two percentage points between the proportion of male BME recruits in 2014/15 and the proportion of male BME officers in the total constable workforce.
31. White male recruits will not suffer a disproportionate adverse impact, since they are likely to constitute a smaller proportion of total recruits in 2014/15 than they do of the total constable workforce.
32. The evidence indicates that the recommended constable pay scale may cause a small adverse impact on white female recruits and BME male recruits. The pay differential and the level of disparity are both relatively low. This adverse impact can be justified, as this recommendation is a proportionate means of achieving the following legitimate aims:
- to relate the length of the pay scale more accurately to the actual length of time over which increasing experience translates into increased effectiveness;
  - to ensure fairness to the taxpayer. The constable pay bill must remain affordable over the long term, and the taxpayer should pay no more than is necessary to recruit and retain individuals of the right calibre for the police service;
  - to ensure that police pay reflects local labour market conditions and is related to comparable occupations elsewhere in the public sector.

Recommendation 55 – Pay points 6, 7, and 9 should be removed from the existing pay scale in April 2014, 2015, and 2016 respectively. This will allow constables to move to the maximum more quickly and ensure that the current and new pay scales merge in 2016.

33. Recommendation 55 has a disproportionate impact, strongly favouring those constables recruited between 2007/8 and 2012/13, but that impact is positive, not adverse. The data indicates that both white and BME women, and BME men, will disproportionately benefit

from the removal of pay points. Individuals with protected characteristics are more heavily represented in the cohorts that benefit than in the comparator group. The only group that does not benefit is white men, which is disproportionately represented in the comparator group. The scale of the disproportionate impact is not great for any of the groups, with only a few percentage points difference in levels of representation between the comparator cohort and the cohorts that benefit.

Recommendation 56 – Pay point 0 of the current sergeants’ pay scale should be removed from April 2014 to ensure that sergeants are always paid more than constables, consistent with the greater responsibilities of the job.

34. The review’s recommendations on the sergeants’ pay scale are unlikely to have any significant equality implications. The pay scale is already short and will be made shorter. Time-based progression will be replaced with contribution-related pay progression. Both of these factors reduce the risk of pay inequality. The skills threshold tests should be monitored to ensure they do not have an unjustifiable adverse effect on any group with protected characteristics under the Equality Act 2010.

### *Chapter 8*

Recommendation 84 – Pay progression for officers in the Federated ranks should be subject to a satisfactory box marking in the annual appraisal. Those officers who receive a box marking of ‘satisfactory contribution’ or above should advance by one pay increment; those who receive an ‘unsatisfactory contribution’ box marking should remain on the same pay point for a further year. This should be introduced for sergeants, inspectors and chief inspectors in 2014/15 and for constables in 2015/16.

35. Recommendation 84 carries a risk that a minority of managers will allow their prejudices – consciously or unconsciously – to interfere with their decision-making. This could lead to adverse outcomes for groups with protected characteristics under the Equality Act 2010. The fact that the PDR the review recommends in Chapter 8.2 requires counter-signature by a second manager, coupled with the fact that all PDR box markings must be considered in a panel moderation process, should act as sufficient guard against this risk. However, the review recommends that forces monitor the results of contribution-related pay progression to ensure that it does not have any adverse effects on equality in the police service.

Recommendation 86 – Pay progression for officers in the superintending and ACC ranks should be subject to at least a satisfactory box marking in the annual appraisal. Those officers whose contribution is marked as satisfactory or above should advance by one pay increment; those who receive an ‘unsatisfactory contribution’ box marking should remain on the same pay point for a further year.

36. Recommendation 86 should have no effect on equality considerations insofar as it is a continuation of the status quo. However, any pay progression system that relies on the subjective judgment of managers risks disproportionately unequal outcomes. Police forces should monitor the operation and results of contribution-related pay progression at the superintending and ACC ranks to ensure that groups with protected characteristics under the Equality Act 2010 do not suffer a disproportionately adverse effect.

Recommendation 90 – Contribution-related pay progression should be extended so as to apply to all police staff.

37. Recommendation 90 carries a risk that managers will allow conscious or unconscious prejudices to interfere with their decision-making, thereby leading to adverse effects for groups with protected characteristics. Prospect’s consultation submission shows that this is a real risk. The review therefore recommends that all police forces use panel moderation to

make final decisions on appraisal markings; and secondly that all forces monitor the results of contribution-related pay to establish whether there is an adverse effect on any group with protected characteristics under the Equality Act 2010.

Chapter 9

Recommendation 94 – An interim Expertise and Professional Accreditation Allowance (EPAA) should be introduced from April 2013. It should reward qualifying officers for the skills they use in the four stated priority functions: neighbourhood policing; public order; investigation; and firearms. The EPAA should be £600 *per annum*, and should be paid monthly. It should be removed when an officer leaves the qualifying role. The EPAA should be abolished when the Specialist Skills Threshold is introduced.

38. The review’s workforce and financial modelling indicates that the introduction of the EPAA will result in female officers being slightly more likely to receive the payment. Table A13.1 indicates that the greatest discrepancy is 5% at constable rank. This is in contrast to a 32.5% discrepancy for recipients of SPPs, which means that the EPAA is likely to be a positive move towards equality.

Table A13.1 – Gender and ethnicity modelling for the recipients of the EPAA							
		Female	Male	Significant difference?	Ethnic	White/ Unstated	Significant difference?
2011/12	Constable	37%	36%	Y	36%	36%	N
	Sergeant	37%	36%	N	38%	36%	N
	Inspector	37%	36%	N	36%	36%	N
	Chief Inspector	31%	33%	N	27%	33%	N

Chapter 10

Recommendation 115 – The Police Negotiating Board should be abolished and replaced by an independent police officer pay review body by late 2014.

39. Recommendation 115 is progressive in terms of equality because the pay review body’s terms of reference require it to have due regard to the relevant legal obligations on the police service in England & Wales, including the Equality Act 2010.

3 Figures are based on stable police strength projections and ADR601. Note that figures remain the same for years 2011/12 onwards due to stable police strength projections. Significant differences are calculated using Pearson’s chi-square test with a 5% level of significance

## Appendix 14 – Terms of reference

To review the remuneration and conditions of service of police officers and staff, and to make recommendations that enable the police service to manage its resources to serve the public more cost effectively, taking account of the fiscal challenges.

The review should consider the remuneration and conditions of service for police officers and staff, in England and Wales, and how they are determined. The review recommendations should be costed and of sufficient detail to enable effective implementation.

In particular, the review should make recommendations on how to:

- Use remuneration and conditions of service to maximise officer and staff deployment to frontline roles where their powers and skills are required;
- Provide remuneration and conditions of service that are fair to and reasonable for both the public taxpayer and police officers and staff;
- Enable modern management practices in line with practices elsewhere in the public sector and the wider economy.

### Context

In reaching its recommendations, the review must have regard to:

- The tough economic conditions and unprecedented public sector deficit, and the consequent Government's spending review;
- The resolution by the Government that the public sector must share the burden of the deficit;
- The Government's policy on pay and pensions;
- Analysis of the value of current remuneration and conditions of service for police officers and staff, as compared to other workforces;
- A strong desire from the public to see more police officers and operational staff out on the frontline of local policing;
- A recognition that there are also less visible frontline roles which require policing powers and skills in order to protect the public;
- The particular frontline role and nature of the Office of Constable in British policing, including the lack of a right to strike;
- Parallel work by the police service to improve value for money;
- Wider Government objectives for police reform, including the introduction of police and crime commissioners, the reduction of police bureaucracy and collaboration between police forces and with other public services;
- Other relevant developments including the Independent Public Service Pensions Commission led by Lord Hutton, the Hutton Review of Fair Pay in the Public Sector led by Will Hutton, any emerging recommendations from them, and the Government's commitment to protect accrued pension rights;
- The impact of any recommendations on equality and diversity.

### Timing

Given the urgency of this matter of serious national importance to the police service, the review is invited to publish its first report on short term improvements to the service in March 2011. A second report on matters of longer-term reform should follow in January 2012.



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